

Jere H. Brooks,
 Henry C. Gearing, jr.,
 Elmer W. Tod,
 Thaddeus A. Thomson, jr.,
 Virginius E. Clark,
 George W. Simpson,
 Reuben R. Smith,
 Homer H. Norton,
 Alfred H. Miles,
 Reginald E. Gillmor,
 Carl C. Krakow,
 James Parker, jr.,
 Charles F. Pousland,
 John F. Cox,
 Grattan C. Dichman,
 Harry A. McClure,
 Louis J. Gulliver,
 Cortlandt C. Baughman,
 Richard B. Coffman,
 Jonas H. Ingram,
 Emory F. Clement,
 Robert F. Gross,
 Patrick N. L. Bellinger,
 William T. Mallison,
 Philip O. Griffiths,
 Newton H. White, jr.,
 Burton A. Strait,
 Herbert A. Jones,
 Samuel A. Clement, and
 Richard F. Bernard.
 First Lieut. William E. Smith to be a captain in the Marine Corps.

The following-named machinists to be chief machinists in the navy:

James H. Morrison,
 Edward A. Manck,
 Thomas O'Donnell,
 Arthur Cottrell,
 Kellum D. Grant, and
 Ellwood W. Andrews.

WITHDRAWAL.

Executive nomination withdrawn from the Senate June 15, 1909.

G. L. Hamrick to be postmaster at Tuttle, in the State of Oklahoma.

SENATE.

WEDNESDAY, June 16, 1909.

The Senate met at 10 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, D. D., of the city of Washington.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

Mr. JONES. I present a letter from the secretary of the transportation bureau of the Seattle Chamber of Commerce, of Washington, together with a series of resolutions, relative to the valuation of railroad properties in the United States. I ask that the letter and accompanying resolutions be printed in the Record and referred to the Committee on Interstate Commerce.

There being no objection, the letter and accompanying resolutions were referred to the Committee on Interstate Commerce and ordered to be printed in the Record, as follows:

TRANSPORTATION BUREAU OF THE
 SEATTLE CHAMBER OF COMMERCE,
 Seattle, Wash., June 11, 1909.

Hon. WESLEY L. JONES,
 United States Senate, Washington, D. C.

DEAR SIR: Herewith copy of set of resolutions passed by the transportation bureau of the Seattle Chamber of Commerce at their meeting June 10, 1909.

You will note we request you to give your support to a bill making necessary appropriation to enable the Interstate Commerce Commission to have valuations made on all railroad properties in the United States.

The writer has had personal experience as to the testimony introduced by the railroads in such matters, having been one of the witnesses in both of the Spokane cases, and having heard the testimony (in the last hearing of the Spokane case in Portland, Oreg., in the spring of 1907) of the engineers of the Northern Pacific and Great Northern railways, wherein they placed the valuation on their lines between four and five hundred million dollars for each road. This testimony was so manifestly colored that perhaps it defeated the object. Nevertheless, it has been found practically impossible to get reliable data as to the original cost of the Northern Pacific or Great Northern railway, or the cost of reproducing same upon the present scale of prices.

The question of what is a just and reasonable rate can never be settled until some authoritative body has appraised railroad properties and it

becomes definitely known what revenue they should receive in order to recompense the stockholders on a reasonable basis.

Trusting that you will vote for and use every effort possible to have this bill passed, I remain,

Yours, truly,

W. A. MEARS, Manager.

Whereas the United States Supreme Court has held that in determining a reasonable rate for freight and passengers, the tribunal before which the case is tried must consider the cost of reproduction of the transportation line involved; and

Whereas on the hearing of various cases before the Interstate Commerce Commission the railroad companies have submitted evidence that seems not to be governed by actual statistics, but by the individual opinion of the person testifying; and

Whereas this testimony has been of such character as to warrant the belief that it is greatly exaggerated as to the amount, and is apparently put at as high a figure as possible, the method of producing such results appearing purely arbitrary; and

Whereas the information as to the cost of such roads lies wholly within the knowledge of the railroad companies, and it is manifestly impossible for an individual litigant to secure even an approximate estimate of the cost of rebuilding a railroad; and

Whereas no satisfactory knowledge upon this subject can be obtained until public authorities make a detailed valuation upon a uniform basis; and

Whereas the Interstate Commerce Commission now has authority to make such valuation, but has not the necessary money to have such valuations made: Now therefore be it

Resolved by the transportation bureau of the Seattle Chamber of Commerce:

First. That we urge upon the Congress of the United States to grant the necessary appropriation to enable the Interstate Commerce Commission to have such valuations made as soon as possible.

Second. That we respectfully request and urge upon our Senators and Members of Congress to support such appropriation and aid in every legitimate way in securing prompt enactment of legislation to this end.

Mr. DICK presented a petition of 49 members of Typographical Union No. 117, of Springfield, Ohio, praying that the change proposed by the Senate Finance Committee relative to the duty on print paper and wood pulp be accepted and approved, which was ordered to lie on the table.

Mr. DEPEW presented memorials of sundry citizens of New York, remonstrating against any reduction in the duty from the Dingley rates on news print paper and wood pulp, which were ordered to lie on the table.

He also presented petitions of sundry citizens of New York, praying that a higher duty be placed on steel rails than proposed in the pending tariff bill, which were ordered to lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HALE:

A bill (S. 2621) granting an increase of pension to Don Carlos Sinclair (with the accompanying papers); and

A bill (S. 2622) granting an increase of pension to Winfield S. Robinson (with the accompanying papers); to the Committee on Pensions.

By Mr. BOURNE:

A bill (S. 2623) to provide for the disposal of lands chiefly valuable for oil; to the Committee on Public Lands.

A bill (S. 2624) granting a pension to Jane Jameson (with the accompanying papers); to the Committee on Pensions.

THE LEATHER AND SHOE INDUSTRY.

On motion of Mr. DICK, it was

Ordered, That 5,000 copies of Senate Document No. 72, Sixty-first Congress, first session, entitled "Shall Hides Be Free?" be printed.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. FOSTER. Mr. President—

Mr. PAYNTER. I desire to call attention to the fact that there is not a quorum of the Senate present.

The VICE-PRESIDENT. Apparently. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bacon	Clay	Frye	Oliver
Borah	Crane	Gallinger	Page
Brandegee	Crawford	Gamble	Paynter
Briggs	Cullom	Hale	Perkins
Bristow	Cummins	Hughes	Scott
Brown	Curtis	Johnson, N. Dak.	Simmons
Bulkeley	Davis	Jones	Smoot
Burkett	Dick	Kean	Stone
Burnham	Dillingham	La Follette	Sutherland
Burrows	Dolliver	McCumber	Tillman
Barton	Elkins	McLaurin	Warner
Carter	Fletcher	Martin	
Chamberlain	Flint	Nelson	
Clark, Wyo.	Foster	Nixon	

Mr. PAYNTER. I desire to state that my colleague [Mr. BRADLEY] is ill and unable to be present this morning.

Mr. JONES. My colleague [Mr. FILES] is temporarily detained from the Chamber on important public business.

The VICE-PRESIDENT. Fifty-three Senators have answered to the roll call. A quorum of the Senate is present.

Mr. SCOTT. Will the Senator from Louisiana yield to me for a moment before proceeding?

Mr. FOSTER. Certainly.

Mr. SCOTT. I should like to have the Secretary read the clipping I send to the desk.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

GOES TO THE WALL—STATE WINDOW GLASS COMPANY, OF BUCKHANNON, FILES BANKRUPTCY PETITION IN FEDERAL COURT.

PARKERSBURG, W. VA., June 14.

A voluntary petition in bankruptcy was filed before Judge Dayton in the United States court here this evening by the State Window Glass Company, of Buckhannon.

The assets and liabilities were not stated, but the latter are in the neighborhood of \$75,000, it is said. Attorney F. C. Sifer, of Buckhannon, filed the petition.

The VICE-PRESIDENT. The Senator from Louisiana will proceed.

Mr. FOSTER. Mr. President, in supporting the amendment offered by the Senator from Florida [Mr. FLETCHER], I think I fully understand and appreciate the situation in this body.

I know that the President of the United States favors this provision of the bill, and that he earnestly desires its passage. I know he does not believe that the importation of the amount of sugar and tobacco provided for, free of duty, will in any manner affect injuriously those industries in this country, while, on the other hand, it will prove of immense benefit to the people of the Philippines.

I wish that I could agree with him, for I have the highest respect for his judgment and the greatest confidence and faith in his wisdom and patriotism. My opposition to, and convictions against, such legislation, however, are so deep and fixed that I feel it due to myself to protest against the adoption of such a policy by this Congress.

I am opposed to this paragraph for many reasons. In the first place, I am opposed to a policy on the part of this Government which will admit to the American markets any products of the Philippines, whether manufactured or agricultural, free of duty, when such products come in competition with similar products raised in this country, mainly on the ground that the American laborer, manufacturer, and farmer can not successfully compete with the cheap labor of the Orient.

In the second place, I am opposed to such a policy, because if we admit annually 300,000 tons of sugar, 300,000 pounds of wrapper tobacco, 2,000,000 pounds of filler tobacco, and 70,000,000 cigars, such legislation must logically culminate in the admission of all the sugar and tobacco raised in those islands free of duty.

Finally, my opposition is based on the belief that such a policy will ultimately result in the permanent annexation and incorporation of those islands and their people as an integral part of our territory and of our people, and thus destroy all hopes or prospects of their independence.

Mr. President, if the course we are about to follow was at all uncertain, if there was no warning light to guide us upon the troubled shore, if our fears were merely born of doubts, and this were in the nature of an experiment, I would willingly defer to the judgment of the President and his advisers.

But there can be no question as to what the future holds in store when we take this step. An accurate estimate of the results to be expected politically, industrially, and economically can be had when we consider other experiments where the conditions were almost similar.

Let us first see if our experience in other tropical adventures undertaken in recent years do not justify the gravest fears for our domestic industries as a result of this proposed legislation. We will first begin with Porto Rico. When that island was acquired in 1898, as part of the booty of the Spanish war, the production of sugar amounted to 53,000 tons. This has expanded by leaps and bounds until the crop of 1907-8 reached 217,000 tons, an increase of over 300 per cent in ten years, and it is still increasing.

Most Senators are familiar with the case of Cuba. You will recall the tearful stories of distress; the humbug about the moral obligations of this country; the glittering promises of trade; all of which was to be our own, in return for concessions to Cuban sugar. In response to those appeals the Cuban reciprocity treaty was entered into by the Fifty-seventh Congress,

by which a reduction of 20 per cent was allowed on the importations from that island.

The trade monopoly that was to have been ours has proven a veritable will-o'-the-wisp. We have received no benefits other than would have come in the natural course of expanding trade, while, on the other hand, we have poured a golden stream into that island year after year without receiving any adequate benefits from the concessions we have made. The production of sugar has increased from 975,000 tons in 1893 to 1,449,316 tons in 1907, all of which has been exported to this country.

In the history of Hawaii, and especially in the commercial treaty we had with those islands and their final annexation, we should read a lesson and a warning against this legislation. I think it may be well to go back and examine with the resultant effects that first legislation enacted in behalf of foreign sugar.

When Hawaii was knocking at our door in 1876 for trade concessions, an act of Congress was necessary before the treaty could be made, inasmuch as the revenues were affected, and the debate, especially in the House, is full of interest, as indicating how conditions and the point of view have changed, as well as illustrating how completely the men who favored the treaty were mistaken or deceived.

On January 6, 1876, Mr. Luttrell, of California, introduced a bill to carry the convention into effect. It was reported favorably on March 2, and as the remission of duty on Hawaiian sugar was the principal change effected by the treaty, the majority report was an effort to prove that the limit of production had already been nearly reached; that the American domestic producers could not possibly be affected injuriously; and that the isolated condition of the people on the Pacific coast made it imperative that this source of supply be opened up to them.

The Pacific States are to receive from those islands—

Said the report—

what they do not produce, and the islands are to receive from the Pacific States in exchange therefor what they do not produce. * * * As sugar is the principal article released, it may be well to consider it especially in this connection. Some fears have been expressed as to the effect of this release from duty on the like products of the United States. * * * It can not be said that the admission of Hawaiian sugar will have the least influence upon the sugar market in the United States, for it is impossible that this sugar can in any way come in competition with it. * * * Imports of sugar from all countries into the Pacific States in the fiscal year ending June 30, 1875, was 66,446,470 pounds—33,000 tons—while the importation from the islands to the Pacific States was 17,888,000 pounds—8,944 tons—a trifle over one-quarter of the whole importation; so it will be seen that the whole importation from the islands can not affect the market in the Atlantic States. It is not possible that the Hawaiian sugar can ever find its way into the Atlantic States—the cost of transportation would exclude it; nor can there be fear of any great increase in the production of this sugar, in view of the steadily diminishing population of the islands.

Much weight was attached to a letter from the Secretary of the Treasury, in which, after pointing out that this country only imported 8,944 tons from the islands in 1875, he said:

The lack of natural facilities for developing the production of sugar in the islands would keep down the future importations.

He also placed the limit of stimulation as a result of free entry into this country at 12,500 tons.

Mr. Wood, of New York, who opened the debate in favor of the treaty, said:

There has been a gradual extinction of population, a gradual obliteration of the natives of the islands, leaving them as it were a prey to some more powerful nation to come in and occupy the ground which Providence has determined in His wisdom that they shall occupy no longer; and yet gentlemen are frightened at this product of a handful of starving natives, lest it will interfere with the revenue of this Nation. The population has decreased from 400,000 in 1779 to less than 50,000, including 6,000 foreigners, in 1875. And it was the native population that furnished the labor. No sugar can be produced except by the manual labor of the natives of those islands. The decrease in the population is a painfully remarkable fact. In round numbers, omitting fractions, in 1779 it was 400,000, 1832 it was 130,000, 1850 it was 84,000, in 1853 it was 73,000, in 1860 it was 69,000, in 1866 it was 62,000, in 1872 it was 49,044, of which 6,853 were foreigners, leaving only a little over 42,000 as a total native population of the Sandwich Islands.

The United States Government has continued this narrative of "a vanishing race" from the place where the gentleman left off in 1872. The sequel is even sadder than the narrative of Mr. Wood when we reflect what it means to American labor, American ideals of living, and American institutions. The story has been brought down to date, and later on I am going to read a brief extract from what the Bureau of Labor has to say about it.

There might have been some excuse for the legislation by which that treaty was entered into, however, as it was our first experience in exploiting the Tropics, but there is none for

this. Congress, too, was then influenced by domestic conditions that no longer exist, as is amply indicated by that debate.

There was at that time but one railroad to the Pacific, and in opening the discussion in favor of the treaty the hope was expressed that the child had already been born who would live to see other roads completed, while the support of western Congressmen was sought on the plea that at the preceding session friends of the treaty supported the bill to extend a telegraph line to the western border of Texas so the authorities might be informed of any Indian uprising.

Congress, therefore, in the exuberance of expanding strength, manifested in many ways at the time, frankly agreed to reverse our fiscal policy, to disregard the economic laws practiced in the east, and by entering into the Hawaiian treaty furnish the people of our western coast with a supply of sugar that it was thought could never be produced at home.

Even in that day, however, the danger of embarking upon an imperialistic course with respect to the islands of the Pacific was understood by some men with prophetic vision and statesmanlike views in both political parties.

Mr. Morrison, of Illinois, one of the most distinguished members of the House at that time and author of the tariff bill that bears his name, combated the proposition with all of his earnestness. He cited the opposition of Senators Fessenden and Grimes in 1867-68 to such a treaty, and quoted from a New England Senator as follows:

Our market for their sugars is the best they can possibly have, treaty or no treaty, charged with duty or not. The duty is a sheer loss to us and a sheer gain to the 25 owners of the sugar plantations, whether they reside in Hawaii or elsewhere. It is an immense subsidy to these wholly private interests and far more obnoxious than any subsidy which has heretofore found congressional advocates. However honestly intended by the parties to the negotiation, I feel constrained to denounce it as a job, the chief result of which will be to put money into the purses of a few Hawaiian sugar planters, who have captured a good enough king to march at the head of their triumphant procession through the country at our expense, and who by and by is to issue his royal proclamation ratifying the treaty.

In discussing the Hawaiian treaty, and bearing upon this same thought, President Garfield, who participated in the debate, said:

I do not approve of the Hawaiian treaty, because it looks in the direction of securing possession of those islands. I wish to state distinctly on the general question of annexation of outlying islands or territory, except in the North—I make an exception there—that I trust we have seen the last of our annexation, and in this remark I include the whole group of West India Islands and the whole of the Mexican territory contiguous to the United States, inhabited, as it is, by a portion of the Latin races, strangely mixed and degenerated by their mixture with native races; a population occupying a belt of territory that naturally enfeebles man; a population and a territory that I earnestly hope may never be made an integral part of the people and territory of the United States. I can not more strongly state my view of that subject than by saying that if the island of Cuba was offered to us by the consent of all the powers of the world and \$100,000,000 in gold offered as a bonus for its acceptance by the United States, I would unhesitatingly vote to decline the offer. We occupy a portion of that great northern zone which girdles the world, and which has been the theater of the greatest achievements of civilization, especially in the history of the Anglo-Saxon races; but should we extend our possessions into the tropical belt we should weaken the powers of our people and Government.

Hon. John H. Reagan, of Texas, then serving in the House, in warning his colleagues against the measure, said:

The sugar planters, when this treaty is made, will consult their own pecuniary interests, and not our national aggrandizement. What will their pecuniary interest rightly and necessarily induce them to do? They stand upon the half-way station between the western coast of America and the teeming millions of Asia, where labor is cheap. When those men go to make sugar, will they take there those engaged in the industrial pursuits of America to Americanize that island, so as to fit it to become an American colony at some future day? Who believes that they will pay double to American citizens less qualified for the duty than they would pay to the Asiatics, as well or better qualified for that duty? If then the capacity of that territory is sufficient to develop a large production of sugar and molasses—on which I do not propose to speak, for I have not informed myself particularly on that subject—the sugar planters there, following the instincts of interest, will apply to Asia for the labor that is to make the sugar and molasses which are to come here free. If they do that, and if there are productive fields in the Hawaiian Islands open for a large population, that population, instead of being American, will be Asiatic; and when once that Asiatic population is planted upon the Hawaiian Islands in large numbers, American emigration, except such capitalists as may proceed there who are connected with commerce or the sugar-producing interests, will not go there, can not go there, can not and will not mingle with the Asiatic population where it is in the ascendancy, as the policy of this treaty in my judgment will place it. If I am right in this, we are not going to make an American colony on the Hawaiian Islands westward toward Asia, but we are to make an Asiatic colony eastward to the Hawaiian Islands, and plant there a population which will in future exclude the possibility of making there an American colony.

There was a good deal of mawkish sentiment indulged in about "the vanishing race of Sandwich Islanders," first mentioned by Mr. Wood, and it was claimed that their places would be taken by sturdy American colonists.

How this prophecy has been fulfilled is shown by the Third Report on Hawaii issued by the Bureau of Labor in September, 1906.

At page 11 it says:

Not only is the plantation working force overwhelmingly Asiatic, but a secondary Asiatic population, living largely on the first and supplying its needs, has come into the islands, has invaded all lines of industry, and the two combined now form the largest element in the total population. From a total Asiatic population of less than 6,000 in 1878, forming only 10.2 per cent of the population of the islands, the number of Asiatics had increased to 18,000 in 1884, and formed over 22 per cent of the total population. By 1890 the foreign-born Asiatics had increased to 27,000, and constituted over 30 per cent of the population. During the next six years their numbers had increased to over 41,000, and they formed over 38 per cent of the population. In June, 1900, the month in which the organic act creating Hawaii a Territory went into effect, the number of foreign-born Asiatics had increased to over 77,000, and formed more than 50 per cent of the entire population.

The Asiatic preponderance in the population of Hawaii appears still more significantly in the figures giving adult males alone. In 1900 the total male population 18 years of age or over was 85,130, of which number Chinese and Japanese made up 63,444, or 74.52 per cent of the total.

The document says that "the total increase in the Caucasian population through immigration has been small at the best, and the figures of arrivals are, to a considerable extent, offset by the steady departure of whites, which has been going on since the cessation of the excitement attending annexation." The report says that out of a population of 106,369 males, the native and foreign born Asiatics taken together represent 69,804, or 65.6 per cent of the total population, as shown by the following figures taken from the Twelfth Census:

Population in 1900, by sex and color or race.

[The data included in this table have been taken from the records of the Twelfth Census.]

Color or race.	Males.	Females.	Total.
Hawaiian.....	15,642	14,157	29,799
Part Hawaiian.....	3,971	3,886	7,857
Caucasian.....	16,531	12,288	28,819
South Sea Islander.....	263	152	415
Negro.....	158	75	233
Chinese.....	22,296	3,471	25,767
Japanese.....	47,508	13,603	61,111
Total.....	106,369	47,632	154,001

The report of the bureau also says:

The preponderance of Asiatics is even more marked in the last census figures, taken in 1900, and showing sex. As will be seen from the following table, out of a population of 106,369 males, the native and foreign born Asiatic element taken together represent 69,804, or 65.6 per cent of the total male population:

Before leaving this phase of the question I wish to invite your attention to the figures given by Mr. Lorin A. Thurston in a paper read before the Social Science Club of Honolulu, in April, 1906. He shows that the "Number and nationality of labor immigrants to Hawaii, 1852 to 1905, both inclusive," was as follows:

Koreans.....	6,908
Chinese (including Manchurians).....	44,494
Japanese.....	111,137
South Sea Islanders.....	2,448
Norwegians.....	615
Germans.....	1,279
Italians.....	84
Austrians (Galicians).....	372
Portuguese.....	11,440
Porto Ricans.....	5,000
Negroes.....	200
White Americans.....	100
Russians (February, 1906).....	110
Total.....	184,187

Let us now see how the production of sugar has been stimulated by the introduction of this Asiatic horde. It has already been shown that when the treaty was being urged in 1876 the production of the islands was something less than 9,000 tons, and the Secretary of the Treasury solemnly assured Congress that the limit of production was 12,500 tons. How little he knew of what he spoke is illustrated by the fact that in thirty-two years the crop had expanded more than 40 times over, having reached a total of 441,000 tons in 1907, while the crop for 1908 is estimated at more than 500,000 tons.

The report of the Bureau of Labor from which I have just quoted says:

Almost all the business of the Territory is carried on by organized partnerships or joint stock companies. The number of general corporations in force August 28, 1901, was 314, their aggregate paid-up capital being \$90,432,825; the number of foreign corporations in force on that date was 11, their aggregate paid-up capital being \$29,036,500—

About a third of the whole. These figures do not include railroad corporations, and relate almost exclusively to the sugar industry.

The latest available official figures, showing how the holdings on the islands are divided, are to be found in the House

executive documents for the Fifty-third Congress. In a table of 22 unincorporated plantations, with an estimated value of \$3,000,000, the various interests are classified as follows: American, \$415,000; Hawaiian-born Americans, \$500,000; British, \$1,195,000; German, \$515,000; Norwegian, \$375,000.

Then follows a table showing the holdings in the 40 incorporated planting companies, with a capitalization of \$28,594,695, which is divided as follows: American, \$18,594,695; Hawaiian-born American, \$2,960,280; American Hawaiian (half-caste), \$88,900; British, \$4,303,218; Hawaiian-born British, \$196,200; British Hawaiian (half-caste), \$160,098; German, \$1,233,935; Hawaiian-born German, \$39,165; German Hawaiian (half-caste), \$2,058; Hawaiian, \$38,991; Chinese, \$259,700; Chinese Hawaiian and Portuguese Hawaiian (half-caste), \$34,000; Portuguese, \$49,500; all other foreign, \$3,550; total amount stock issued, \$27,964,290.

The statement issued by the Hawaiian and California Sugar Association, January 1, 1906, places the total amount then invested in the Hawaiian plantations at \$83,000,000.

I wish now to invite the attention of the Senate to the enormous loss in revenue that this country has suffered from this so-called "reciprocal trade arrangement." The duty remitted on Hawaiian sugar, according to the statement furnished by the Bureau of Statistics, by this Government from 1876 to January 1, 1909, aggregates \$193,151,634, and there has been a regular and progressive growth of these annual remissions, beginning with the year 1877, when they amounted to \$986,475, until they reached the sum of \$17,241,130 in 1908.

From the standpoint of trade alone the experiment has been disappointing if not disastrous, as will be demonstrated by the following facts:

In 1876, the year of the treaty, the imports into those islands amounted to \$1,811,771, while the exports amounted to \$2,241,042. Almost all of this trade was with the United States.

In 1898, the year of annexation, the imports from the United States were \$8,695,592, and the exports to this country amounted to \$17,256,084, while in 1908, the importations from the United States amounted to \$15,038,155, while the exports to this country had grown to \$41,636,505. The value of the imports those islands received from us that year was almost two and a half millions of dollars less than the duty that would have been collected on their sugar for that year alone, had their products not been admitted to this country free. In other words, we give them more than a dollar in order to sell them a dollar's worth of goods.

These figures show at a glance how much there has been in this arrangement for the Hawaiian planters and how little for the people of the United States.

A summary of the foregoing facts shows that since the ratification of the treaty with Hawaii the production of sugar in those islands has increased from 9,000 to 500,000 tons. The duty remitted on the sugar imported into this country during that period has amounted to \$193,151,643.77, and the amount remitted during the year 1908 was \$17,241,130, a sum greater by more than \$2,000,000 than the entire exports to those islands during that year.

To whom has this money gone? To a little coterie of sugar planters, some of whom are foreigners, and the others American citizens who are exploiting the islands, and to the Japanese and Chinese, who constitute the bulk of the population.

Millions of dollars, the product of American skill and labor, are annually drained from the wealth of this country to maintain a few individuals in their ever-increasing riches and to support this Asiatic labor.

Instead of establishing an American colony, we have established a colony of Asiatics. Instead of opening up the wonderfully productive fields of those islands for the American citizen to build American homes, we have actually opened them for the Orientals. Instead of planting a colony where the spirit of American institutions will live and breathe and grow strong as the years roll by, we have been building up a colony of Orientals, who are opposed to every form and feature of our system of government, and who add nothing and can add nothing to the support or perpetuation of our republican institutions.

No white race is taking the place of the vanishing Hawaiian people. No American citizens are there to add to the wealth and prosperity of our country in time of peace, or to defend our country's flag in time of war.

Should the rude alarm of war be sounded over our land and the President of the United States issue his proclamation for volunteers to defend the country's honor and to uphold our nation's flag, not a battalion of American soldiers could be mustered in those far-off possessions.

Mr. President, this policy and its disastrous results ought to bring to reflecting people a realization of the consequences of such ill-advised legislation and mistaken policy.

The history of the development of cane culture in these tropical islands indisputably establishes the fact that they are susceptible of unlimited production; that the beneficiaries of such development are a few exploiters; that labor is abundant and cheap; that the white man can never colonize them, and that the system produces but two classes, the very rich and the very poor, or the master and the serf.

What has been said about the effect on the sugar industry and industrial conditions in these islands, especially Hawaii, will apply with equal force and truth to all the other islands of the sea we have been gathering in our train since Admiral Dewey steamed into Manila Bay that May morning eleven years ago, and the American people proceeded forthwith to forsake the warning of Washington and the fathers; decided to extend our institutions to the heterogeneous races of the Caribbean and the Pacific, and, flying in the face of universal experience, to neglect this great industry at home, while indulging a pleasing fancy beyond the seas.

Still, using Hawaii for the purpose of comparison, as conditions in that group more nearly approach those in the Philippines than do those of any of our other colonies, I call attention to the fact that the Philippines have a population of 7,635,426 as against 200,000 in Hawaii. There is an area of 73,345,415 acres awaiting exploitation in the Philippines, 68,405,415 of which are owned by the Government, and the evidence shows that 50,000,000 acres of this land are richer than the lands of either Hawaii or the United States.

According to the reports of the Bureau of Labor, the number of persons in these islands engaged in gainful occupations is over 3,000,000, or more than 43 per cent of the civilized population. The average monthly earnings of all classes of both sexes is \$4.50 per month in gold, including rations. The number of males engaged in agriculture is over 1,000,000; in manufacturing and mechanical pursuits nearly 250,000; in domestic and personal service nearly 500,000; and in trade and transportation over 150,000.

The method of cultivation in the past has been of the crudest and most primitive nature, just as it was in Java and Hawaii, before the Dutch Government and our own introduced scientific and modern methods into those possessions. From a statement of the Manila Bulletin which is appended, it will be seen that with the introduction of the steam plow and modern methods of cultivation the production per acre in the Philippines will equal that of Hawaii and exceed that of Java. And why not? The soil, the labor, the climatic conditions are just as favorable in those islands as in the groups mentioned.

With these advantages and an additional bonus of \$10,000,000 in the way of remission of duties, which goes to the producers of sugar and not to the Filipino people, it is almost an assured fact that the production in the Philippines will reach the 300,000 tons in a very few years, and when that amount is reached, I have no doubt but that all tariff restrictions will be removed from the importation of sugar and tobacco into this country free from those islands. This looks to me logical and inevitable.

The most avowed partisan of the Filipino must admit that as the sugar industry is developed in those islands the industry is threatened to that extent in our own country. There will be no diminution of production in Cuba, none in Hawaii, none in Porto Rico, but not so with our domestic industry.

In a few years the demands of the country for sugar will be supplied from these sources, while that great industry in this country must necessarily dwindle away and perish.

Why should we enter upon such a policy? We have already given the Filipino free markets in this country for all his non-competitive products and have reduced the tariff 25 per cent on his sugar and tobacco.

It is true we have conquered these people; that we have taken possession of their territory, and national honor and national justice demand that we should treat them fairly and justly.

But our first duty is to our own country and our own people, and there is no law of good morals or of nations which requires us to sacrifice our industries or our people to them.

If it be for trade and commerce alone that this sacrifice is to be made, then I submit that after ten years' possession of the islands our experience does not warrant or justify such a policy.

The statistics submitted by the Department of Commerce and Labor, which I herewith append, show that the imports from

this country for the year 1907 amounted to \$5,000,000, whereas their exports to this country amounted to some \$12,000,000; while the last British Consular Reports, an extract from which is also appended, shows that the trade of these islands in cotton goods and yarns goes almost entirely to Great Britain and Japan; that their trade in iron and steel is almost equally divided between Great Britain and this country; that the trade in horses and cattle is exclusively with Australia and China, while Australian flour has almost banished American flour from the Filipino market, the importations having increased from 1½ per cent in 1903 to 62 per cent in 1907.

Now, Mr. President, I ask, in all fairness, should our own people, in the face of this showing, be called upon to make this tremendous sacrifice for the Filipino people?

It will be seen by reference to the appendix that instead of having deprived them of a market, we have always taken the bulk of their sugar, even under Spanish rule, although instead of turning their duties into our own coffers, as the Spaniards did, we have remitted a quarter of this tax to assist their planters, and sent back all that actually was collected to Manila, to be applied to the expenses of their local government.

This of itself is a heavy competing burden to place upon the American producer, who annually makes a new crop with the most expensive class of agricultural labor.

You now intend to inflict upon the American sugar producer a double calamity. You propose to strike off all of the duty just when the Filipino planters are beginning to follow in the path of modern and improved methods (see appendix)—when they are beginning to supplement their farm labor costing 10 cents per diem with steam plows that do the work of "100 carabao and 50 men and are operated for about 20 pesos per day."

Mr. President, in pursuit of the mistaken policy we are now asked to further enlarge upon, in the interest of the Philippine Islands, this country has already remitted to the Hawaiian group, to Porto Rico, Cuba, and the Philippines the enormous sum of \$274,544,256.77 for sugar alone in a comparatively few years, and of this sum \$32,891,304 was remitted in the fiscal year 1908.

Had the proper duties been imposed upon this tropical sugar, produced by pauper and cool labor, and brought into this country to compete with the American farmer and laborer, we would now have a surplus instead of an empty Treasury; if we applied to sugar and the other products of these islands the rates exacted of our best customers among the nations of the earth when they send their produce to our shores, there would be, in contrast with the paralysis that now marks all of the departments for want of funds, a handsome balance in the Public Treasury insuring against a suspension of public work, and the Senate would not now be in a quandary as to what it should tax next, inheritances, incomes, or corporations, in order to raise sufficient revenue.

Does any Senator believe that this or any other nation can afford to indefinitely continue such a drain on its resources?

We saw when the sugar tariffs of Europe were being discussed a few days ago that not one of those countries admitted the products of its over-sea possessions to the full benefits of the home market, and that France is the only one that allows her colonies any concessions whatever.

When we began this short-sighted policy, a third of a century ago, there were some palliating circumstances, as we have seen, but they have ceased to exist at the present time.

At the time Hawaii was knocking at our door our country spread away in almost unbroken stretches from the Missouri to the Rockies, and herds of buffalo roamed the plains not yet wrested from hostile bands of Indians. Bismarck, who was overshadowing Europe like some Colossus, had just said that no other country could do what we had accomplished—disband the two greatest armies the world had yet seen without disturbance, and find homes for all of them, as well as for every immigrant who reached our shores.

Land was abundant, distances immense, and transportation crude. Our natural resources were as yet almost untouched, while many industries that to-day support millions of our people and annually add other millions to our wealth had scarcely started, much less been developed. The American sugar industry had not even made its appearance in the West or on the coast, except as an experiment.

To-day all the conditions that prompted that treaty are changed. From less than 44,000,000 our population has more than doubled; herds of buffalo no longer roam the western plains; the bands of hostile Indians have followed them to the "happy hunting grounds," and our lands have all been taken. Our forests have been cut down, and alarms are still vibrating that were sounded at the Congress for the Conservation of our

Natural Resources held in this city a few weeks ago. Not only have children then born, but men who participated in that debate and are still here have lived to see half a dozen great railway systems span this continent to the coast, all clamorous for the trade of the Hawaiian planter, who lays his sugar down at Missouri River points and competes even in New York with the home producer for the American trade.

We are no longer the strident young giant of the West. We can no longer frankly and buoyantly disregard the economic and natural laws, feeling that there is an unlimited reserve to draw upon. We have filled up our waste places with a crowding population, whose wants are now taxing Congress to provide a revenue; we have joined the old nations of Europe in a scramble for colonies, and are now engaged in reaching out into the Pacific, beyond Hawaii, toward the teeming coasts of Asia.

I have heretofore dealt with the commercial and industrial aspect of the Philippine problem. I shall now deal with it from a broader point of view.

In my humble judgment, Mr. President, the ratification of the treaty of Paris, by which this Government acquired the Philippine Archipelago was, next to the fifteenth amendment to the Constitution, the greatest economic and political blunder that can be charged against the dominant party.

I believe that the fundamental principles upon which this Republic is founded can only be supported, maintained, and perpetuated by a people capable of self-government; that there is no other people upon the face of the earth except the white man competent to exercise this highest type of human government, and that whenever we seek to incorporate into the body politic of this Republic any people except the Caucasian we weaken the powers of our people and our Government. Whenever we attempt to govern a people other than by their consent, we depart from the constitutional landmarks of the Republic and menace the basic and structural principle of our free institutions.

Sovereignty under our form of government is lodged in the people. I do not want that sovereignty lodged in any other hands than those of the white man, because I honestly believe that only in such hands can the destiny of our Republic be safely confided.

I do not want this Government to hold any colony or any possession or any territory to which the white man of our country can not go and build up his home, and carry with him and plant there the great and sublime and inestimable principles of our Republic.

Mr. President, it is utterly impossible to build up a colony of Americans in any of the islands of the Philippines. Climatic conditions forbid it, and local environments would prevent it.

I have visited those islands, Mr. President, and their agricultural possibilities are practically unlimited. Those people are strictly Asiatics. They are Asiatic in their national life, in their civilization, in their hopes and aspirations, in their social usages and practices, and in their political thought. We can never impress upon those people the civilization and national ideals and aspirations of the western world.

I saw the splendid and humane work which our President, as governor, inaugurated years ago taken up and carried on by the civil officials of the insular government. I saw courts established for the administration of law and justice meted out to the poor peon and rich landowner alike. I saw schools established all over those islands, and thousands of children given the advantage of a public-school education. I saw the humane philanthropist at work in every direction, and a corps of able and learned army and civilian physicians mastering the deadly plagues that for centuries have afflicted those islands.

And yet, Mr. President, I saw a discontented, a restless, and a sullen people, whose opposition to our control was as great, if not greater, than it had been to the Spanish rule, and who would in a day throw off American supremacy were it not for the presence of the American Army in sufficient force to repress any uprising.

For over three hundred years these people were under the dominion of Spain. Whether right or wrong, they believed that they would have achieved their independence had Dewey's guns never been heard over the bright waters of Manila Bay. They believe to-day that they are capable of governing themselves in a manner best suited to their own advancement, interest, and happiness. Even "as the hart panteth after the water brooks," so these people yearn for freedom; and they will never be contented or satisfied until they achieve that freedom and their independence.

But what appealed to me as an insurmountable obstacle and difficulty in the solution of the Philippine problem was the bitter and irreconcilable race antagonism which exists between

the American and the Filipino. This prejudice is found in all stations and conditions of life. Instead of diminishing, it is becoming more intense and acute. It is as deep, if not deeper, and more bitter between the American and Filipino than between the white man and the negro in the South. It is deep seated and ineradicable. It is not only racial rivalry, but racial hatred, and will never be extinguished, eradicated, or mitigated. On the contrary, in my judgment, it will grow and increase as the years go by.

General Smith, the retiring governor-general of the Philippines, is quoted as saying in the course of a recent address before the Quill Club, of Manila:

The man who will soon occupy the place I am now filling will have to contend with a thousand and one difficulties. Slowly but surely, and much to my deep regret, I have watched for the last few years the growing separation between the American and Filipino races. It is developing into bitter race prejudice.

The same idea is forcibly expressed in the following extract from a recent editorial in a Filipino newspaper:

The least effort to promote the interests of the country was at first received with gratitude, for such an act of generosity and justice was most deeply felt. With childlike simplicity the people listened to hopeful assurances which fell like a benevolent rain upon their hearts. They applauded them and offered their help to give them practical form. * * * But now the racial division, which was nothing but a dividing line in the beginning, has grown into a mountain range, separating the nation from the Government, the Americans from the Filipinos.

The Anglo-Saxon, Mr. President, is a masterful race. The dynamic forces of his civilization brook no opposition, and wherever he plants his foot, whether upon line or pole, he will dominate and rule; and as long as this Government holds possession of that archipelago, just so long will the Americans rule and dominate that people as a subject race. If he does not rule the Filipino, the Filipino will certainly rule him. In my judgment there will never be a political or social equality between the two peoples.

The only method, however, of maintaining American supremacy is by force, and the presence of the United States Army is not only required for the present, but will be required as long as we hold these possessions and maintain our supremacy over these people.

Mr. President, I do not like the idea of governing any people by force and that force the American Army. It is contrary to the genius of our institutions; and if we must keep the people of those islands in subjection, it will not only cost us millions and hundreds of millions of dollars and the untimely death of thousands of our soldiers, but I am afraid that it will gradually undermine that respect and weaken that confidence which we have for a free government.

While the love and confidence of a people can not always be won by the application of just laws and fair treatment, yet the great mass of people are often influenced and dominated through their business and commercial interests. Open up the rich markets of this country to the products of the Philippines and we will in a very few years establish a commercial union which, in my judgment, is bound to beget a political union. Unite the people of these islands to us by the ligaments of trade and the bonds of commerce; complicate the fiscal systems of the two countries; establish interdependent trade relations between the two peoples by tariff laws, navigation laws, and other laws, and you make it almost impossible to sever the political ties which these conditions have produced. The commercial interests of this country and of the archipelago, looking to their own selfish aggrandizement, will insist and demand not only the maintenance of a commercial union, but a closer political union than now exists.

The history of the Philippines will be exactly what the history of Hawaii has been—we will have no Americans there except those who go to exploit these islands. We will have no great middle class of white men to enrich them by their labors and their endeavors. We will have but two classes—the very rich, composed of the American, the English, and the German exploiters, and the very poor, composed of the native Filipinos. We will have the product of oriental labor brought into competition with the products of our own labor. We will have the sugar and tobacco and other agricultural products of that country coming into competition with our own, and you practically bring in the Oriental himself when you bring in his products in free competition with the American laborer and the American farmer.

In response to an overwhelming demand of the American people, we excluded the Chinese from our shores because his presence was a menace and a danger to the American laborer.

Our Government is to-day making an effort to circumscribe, if not prohibit, the Japanese laborer from our country.

The same objection would be offered to the Filipino as to the Japanese and the Chinese if he would come here in sufficient numbers. Our tariff laws are specially constructed so as to prevent the free importation of Chinese and Japanese products in competition with those of our own land. If we had no such provision in our tariff law, our country would be inundated by the products of these two countries.

What a paradox it is to levy a tariff upon articles produced in China and Japan in order to exclude the products of the cheap labor of those countries from competing with the labor of this country and yet admit the products of the same class of labor from the Philippine Islands to come in competition with similar products raised in this country by American laborers and American farmers!

Give the security to capital and it will seek those fields of investment which will yield the best returns. Protect with the United States Army the sugar and tobacco exploiters in those islands, and at the same time permit their products a free market in our country, and you will find that capital not only from this country, but from England and Germany, organizing into powerful corporations and flowing to those islands for investment.

With the soil, the climate, and labor conditions, development will be phenomenal, and in a few years the similar industries in this country will be annihilated. The great agricultural interests of this country can not compete with the natural and labor conditions of those islands. The American laborer and the American farmer can not compete with the peon labor of the Philippines.

Mr. President, stimulate the development of the sugar and tobacco interests of those islands and open up free markets to their products in this country and similar industries in America will be overwhelmed and destroyed.

Mr. President, we can not raise sugar in this country, beet or cane, in competition with the cheap labor of the Tropics. It is no use to disguise this fact. The Philippines to-day, with proper cultivation, can ship their sugar into this market and pay the tariff and undersell the American producer; and I predict that with the encouragement of free trade this sugar in less than a decade will destroy the immense beet and cane interests of this country.

And, Mr. President, if the Philippine Islands themselves will not furnish sufficient labor for the full development of these agricultural interests, mark my prediction, Japan will do it, just as in Hawaii; or if Japan does not do it, the laws of this country will be so changed as to admit the Chinese.

The same virile forces which opposed Chinese immigration into this country will not be present to make similar opposition to their introduction into the Philippines. The great labor interests will not be there to oppose them. There will not be the potential opposition of the white man; but, on the other hand, large corporate interests that have located there will be demanding that the bars be lifted to admit Chinese laborers to cultivate and develop those fertile fields.

Mr. President, give these people free markets in this country, just as we did Hawaii under our first convention, and, just as in that case the concession was followed by annexation, as Mr. Garfield foresaw, so when you give the Filipinos the markets of this country free there will be interests springing up advocating a perpetual political union between this country and those islands.

These interests will oppose the independence of the islands. Their greed and lust for money and markets will be the main-spring of their action. These island interests will find able cohorts and powerful allies in this country. The refining interests, backed up by the great sugar trust and the great tobacco trust, want free raw materials, and with their potential influences will strike hands with similar powerful interests in the Philippines, and demand not only a closer commercial union, but a closer political union.

Mr. President, do not misunderstand me; as long as our Government has possession and holds these islands I want these people to receive a square deal; I want to see them treated justly, and every aid given them in the improvement of their social and governmental conditions, and every encourage-

ment extended them for the development of their business and commerce. I wish to see everything done to promote social order for the establishment of orderly conduct in the affairs of the Government. But what I do mean to say is that I do not wish to see any interest of that country erected upon the ruins and destruction of similar interests in my country. I do not wish to see the farming interest of the American sacrificed to the farming interest of the Filipino. I do not wish to see the sugar interest forced into such an unequal contest. It is not fair to the American interest; it is not just to our own people. No other government in the world gives the people of its colonies a preference, or even equality, in its own markets with its own people.

Mr. President, reverse this proposition. Suppose these islands were a manufacturing instead of an agricultural people. Suppose they had cotton, wool, silk, paper, machinery, and other manufacturing industries, as in Japan; would the great manufacturing interests of this country for a moment tolerate the importation of the output of these factories free of duty? There would be thunders of protests from every labor union between the Atlantic and the Pacific denouncing such a policy, and every manufacturer from every section of the country would justly and loudly protest against such unjust legislation.

I do not wish this Congress to adopt any policy which will tend to strengthen the political ties between this country and the islands and which will make it more difficult to sever the bonds that now unite us. No matter how long we remain we will not establish an American colony in those far-off waters friendly and loyal to our free institutions, but, just as General Reagan said as to Hawaii, we will establish an Asiatic colony, bound to us by no ties of race or blood, hostile and antagonistic, and a colony that in years to come will prove a source of weakness instead of strength to our people and Government.

Mr. President, I want this Government to get out of the Philippines. Their people and enfeebling climate offer nothing of honor or profit to our people. We could not withdraw while the insurrection lasted; and our people then were also fired with the appeal that while any of our sons lay buried along the sands of Luzon no other flag should float above them to greet the morning in the Philippines.

Since then we have learned what a hollow mockery any military achievement is against these peoples in this age of scientific warfare. We have sickened at the idea of slaughtering with United States troops savage men, savage women, and even savage children armed with primitive bows and arrows, bolos, spears, and bamboo cannon.

And yet, as long as we stay there this warfare will continue. Race hatred and the deepest human passions will perpetuate the hostile feeling. The metropolitan journals are replete with trouble in our far-away possessions in the Pacific. From Hawaii comes the report of wholesale arrests of Japanese and the denial of writs of habeas corpus and possible international complications. From the Philippines we learn of the Visayan constabulary deserting our standard and retreating to their native fastnesses in the interior with their arms and accouterments.

Of course there can be no doubt as to what the result will be. There never has been and there never will be when the white man copes with the colored races; and the Japanese disturbers and the Filipino mutineers will learn that they must bear our presence in sullen silence as long as we care to remain in the Orient.

But, Mr. President, what profit is there in continuing to keep these people in subjection? To continue to stay there means to destroy the very traditions under which this Republic was born and has grown to its present commanding position among the nations of the earth.

If we stay there, we will have no American colony loyal to our country and faithful to its institutions, but an oriental colony, hostile to our Government and despising its flag.

As the years go by, their opposition to our rule will grow stronger; their hostility to our people will increase; the race war between the white man and the yellow man will become more bitter as the two peoples grow wider and wider apart.

The American and the Filipino never can and ought never to be assimilated. The immutable laws of nature forbid it. The two people can never be united; the twain can never meet. As Kipling has said:

East is East, and West is West,
And never the twain shall meet,
Till earth and sky stand presently
At God's great judgment seat.

APPENDIX A.

The compensation paid on the sugar plantations of Hawaii to the labor that has been brought to that group of islands, principally from Asia, to compete with the American farm labor engaged

in the domestic-sugar industry is shown in the following table taken from the third report of the Bureau of Labor on Hawaii. The Caucasians mentioned were usually employed at special tasks requiring technical skill, which accounts for the higher wages.

Occupation.	Em- ploy- ees.	Sex.	Nationality.	Days per week.	Aver- age wages per day.
Field hands.....	1,218	M.	Chinese.....	6	\$0.65
	22	M.	German.....	6	.71½
	338	M.	Hawaiian.....	6	.74
	1	F.	do.....	6	.46
	1	M.	Part Hawaiian.....	6	.77
	2	M.	Italian.....	6	1.00
	11,820	M.	Japanese.....	6	.65
	2,091	F.	do.....	6	.44½
	3,039	M.	Korean.....	6	.65
	44	F.	do.....	6	.49
	1	M.	Polish.....	6	.84½
	1,005	M.	Porto Rican.....	6	.64

How completely orientalized the islands have become is also shown by the following table, giving distribution of labor on Hawaiian sugar plantations, by groups of occupations and nationality, 1902 and 1905:

Nationality.	Admin- istration.	Culti- vation.	Irriga- tion.	Manu- facture.	Me- chan- ical trades.
Caucasian: a					
1902.....	173	107	51	146	129
1905.....	195	96	38	146	114
Portuguese:					
1902.....	43	2,011	54	63	148
1905.....	43	2,076	49	85	154
Porto Ricans:					
1902.....	4	1,962	1	10	18
1905.....	4	1,722	.....	70	4
Hawaiians and part Hawaiians:					
1902.....	30	994	51	32	87
1905.....	39	861	36	39	84
South Sea Islanders and negroes:					
1902.....	.....	33	.....	.....	5
1905.....	.....	22	.....	.....	2
Chinese:					
1902.....	11	3,294	134	286	33
1905.....	5	3,962	69	269	11
Japanese:					
1902.....	121	25,849	869	1,640	751
1905.....	132	23,461	608	2,830	590
Koreans:					
1902.....	.....	.....	.....	.....	.....
1905.....	10	4,384	1	19	.....
Totals:					
1902.....	382	34,250	1,160	2,177	1,171
1905.....	428	36,584	801	3,458	969

Nationality.	Super- intend- ence.	Trans- porta- tion.	Uncas- sified.	Total.
Caucasian: a				
1902.....	353	50	23	1,032
1905.....	328	42	47	1,006
Portuguese:				
1902.....	202	117	31	2,669
1905.....	266	171	161	3,005
Porto Ricans:				
1902.....	11	29	1	2,036
1905.....	7	79	21	1,907
Hawaiians and part Hawaiians:				
1902.....	103	154	42	1,493
1905.....	114	193	86	1,452
South Sea Islanders and negroes:				
1902.....	.....	2	6	46
1905.....	1	4	3	32
Chinese:				
1902.....	28	64	31	3,881
1905.....	23	39	31	4,409
Japanese:				
1902.....	129	1,627	99	31,085
1905.....	121	3,709	284	31,735
Koreans:				
1902.....	.....	.....	.....	.....
1905.....	4	248	17	4,683
Totals:				
1902.....	826	2,043	233	42,242
1905.....	864	4,485	650	48,229

a Not including Porto Ricans and Portuguese.

b Including 7 Filipinos.

c Including 4 Filipinos.

d Including 445 Chinese and Japanese employed in cultivating; mostly Japanese.

The report of the Bureau of Labor for 1906 says:

The preponderance of Asiatics is even more marked in the last census figures, taken in 1900, and showing sex. As will be seen from the following table, out of a population of 106,369 males, the native and foreign-born Asiatic element taken together represent 69,804, or 65.6 per cent of the total male population:

APPENDIX B.

The enormous expansion of the sugar industry in Hawaii, especially since the ratification of the reciprocity treaty in 1875, by which the products of the islands were admitted to this country duty free, is shown in the following table taken from the December issue of the Planters' Monthly, of Honolulu. From 1837, the earliest available record, to 1877 the growth is shown at intervals of ten years, and the growth is shown by pounds from 1837 to 1891; subsequent to that date it is given in tons:

	Pounds.
1837	4, 286
1847	594, 816
1857	700, 556
1867	17, 127, 187
1877	25, 575, 965
1878	38, 431, 458
1879	49, 020, 072
1880	63, 584, 871
1881	93, 789, 483
1882	114, 177, 938
1883	114, 107, 155
1884	142, 654, 923
1885	171, 350, 314
1886	216, 225, 615
1887	212, 763, 647
1888	235, 888, 346
1889	242, 165, 835
1890	259, 789, 462
1891	274, 983, 580

From 1891 to 1907 the production is shown in tons by the following table:

	Tons.
1891	146, 174
1892	122, 279
1893	152, 621
1894	166, 432
1895	149, 627
1896	225, 828
1897	251, 126
1898	229, 414
1899	282, 807
1900	289, 544
1901	360, 038
1902	355, 611
1903	437, 991
1904	367, 475
1905	426, 248
1906	429, 213
1907	440, 017

APPENDIX C.

The duty remitted on Hawaiian sugar, according to the statement furnished by the Bureau of Statistics, by this Government from 1876 to January 1, 1909, aggregates \$193,151,634, in the following annual amounts:

1877	\$986, 475
1878	989, 602
1879	1, 266, 554
1880	1, 881, 563
1881	2, 427, 777
1882	3, 314, 938
1883	3, 554, 139
1884	2, 959, 913
1885	3, 937, 947
1886	4, 435, 091
1887	5, 016, 380
1888	5, 007, 200
1889	5, 210, 049
1890	4, 804, 477
1891	5, 544, 150
1892	(a)
1893	(a)
1894	(a)
1895	(a)
1896	4, 535, 392
1897	5, 265, 751
1898	7, 996, 269
1899	7, 396, 798
1900	8, 075, 410
1901	11, 054, 093
1902	11, 528, 854
1903	12, 397, 207
1904	11, 783, 873
1905	13, 323, 542
1906	11, 945, 642
1907	13, 136, 237
1908	17, 241, 130
1909 (six months)	6, 135, 181
Total	193, 151, 634

This, remember, was an outright gift, a bonus added to the purchase price of this sugar after it had been thrown upon the markets of the world and the American consumer had been compelled to buy it in open competition with the balance of mankind.

* Period of free imports of raw sugar.

APPENDIX D.

The Philippines have a population of 7,635,426 as against 200,000 in Hawaii. The last available figures show that there were 99,916 acres of sugar under cultivation in Hawaii, while Mr. W. C. Welborn, the government director of agriculture in the Philippines, when before the Senate committee in 1906 gave the following figures showing the area then in a crude state of cultivation in those islands: Sugar, 180,000 acres; rice, 1,600,000 acres; tobacco, 80,000 acres; sweet potatoes, 60,000 acres; plantains, 85,000 acres; hemp, 550,000 acres; coconuts, 375,000 acres; corn, 267,000 acres. "I made those figures myself," said Mr. Welborn, "and they are correct."

There has been a great deal of conflicting testimony as to the yield to be expected of this land, but perhaps there is no better way of approximating it than to hear what Mr. H. C. Prinsen-Geerligs, one of the authorities on sugar production in the Orient, has to say.

When the sugar fields of Java were threatened with extinction by a blight that struck that country, in the latter part of the eighties, the Javan planters appealed to the mother country for aid, and this distinguished scientist was sent out by the Holland Government to save the industry. He not only accomplished this, but built up the yield from a few hundred thousand tons to a million and a quarter tons, making Java the second tropical sugar-producing country in the world.

Mr. Truman G. Palmer, secretary of the American Beet Sugar Association, when that industry was threatened by importations from our island possessions, went abroad to discuss the sugar situation with the leading experts of all the continental countries and the Orient, including this distinguished Dutch scientist, Mr. Prinsen-Geerligs, who said:

They (the 177 Javan sugar planters, whose estates last year produced 1,210,197 tons of sugar) are all independent financially, but are all members of the Sugar Planters' Association and work together. Practically all of them live in Holland. They have all made money, but the people of the islands are just as poor as ever—30,000,000 natives, 60,000 Hollanders and half-castes. Thirty thousand Dutch and native soldiers in all the Dutch possessions. Wage rate: Men, 6d.; women, 2d.; boys, 2d. per day. Women and boys do only light work. Abundance of people. When planters want laborers they send criers through the towns and get all they want. Pay off every few days, and natives spend their money quickly. The country was occupied one thousand two hundred years ago, but was given up later on. Ruins of most beautiful palaces are still there, but the natives deteriorated as soon as left to themselves. Every inch of ground now cultivated. One who had not been there in ten years would not recognize it. Far more generally cultivated than Holland and Belgium, yet believes that if left to themselves for ten years only rusty railroad tracks and ruins would indicate that civilization had ever been there. The Filipinos are practically the same race of people. Holland can not colonize Java; can merely hold it. The soil is very poor, far inferior to that of the Philippines, which is exceedingly rich. Largely by fertilization have doubled the sugar crop without greatly increasing the acreage. Use much ammonia and oil cake. Without any tariff favors Philippines can compete with the world in sugar production. In no event will the building up of the sugar industry benefit the people of the Philippines. The money will all go to absentee people of wealth. Java enjoys no tariff concessions and asks for none. She has driven European sugar out of China, largely out of India, and partly out of Persia. At 1½ cents per pound Java can make 40 per cent profit, and the Philippines can do much better with modern methods. Fears large production in Formosa. Java has good climate for sugar—always warm—but soil is very poor. Parties wanted him to go into a sugar enterprise in Porto Rico, but he declined for reason that we had not settled Philippine matters, and that if we encouraged Philippines they would eventually ruin Porto Rican sugar industry, as well as home beet and cane and Hawaii.

APPENDIX E.

In the various hearings had in both Houses of Congress, ample evidence has been adduced that agricultural labor is plentiful at 10 cents a day and up.

The government report on the labor conditions in the Philippines, issued in 1905, says that—

The number engaged in gainful occupations is 3,037,880, or 43.5 per cent of the total civilized population, as compared with 39.6 per cent in Cuba and 33.1 per cent in Porto Rico. The proportion of females is very large among the workers, but this is chiefly due to the fact that they are engaged in the domestic manufacture of textiles. Women are not employed largely in agricultural labor in the Philippines. The percentage of total population engaged in gainful occupations, according to sex and maturity, in the United States, Philippines, and West Indies is as follows:

Per cent of males and females and of children 10 to 14 years of age employed in gainful occupations in the Philippines, United States, Porto Rico, and Cuba.

Country.	Males.	Females.	10 to 14 years of age.
Philippines (1903).....	57.6	29.4	16.8
United States (1900).....	61.2	14.3	14.8
Porto Rico (1899).....	56.9	9.9	22.4
Cuba (1899).....	68.2	8.8	24.6

The following table shows the number employed, by sexes, in the 5 groups of occupations presented in the census classification:

Number and per cent of males and females employed in each group of occupations in the Philippines, 1903.

Occupation group.	Males.		Females.		Total.
	Number.	Per cent.	Number.	Per cent.	
Agriculture.....	1,163,777	92.8	90,286	7.2	1,254,063
Professional service.....	23,358	91.1	2,279	8.9	25,637
Domestic and personal service.....	431,388	75.4	140,567	24.6	571,955
Trade and transportation.....	150,989	66.6	75,566	33.4	226,555
Manufacturing and mechanical pursuits.....	243,081	25.3	716,589	74.7	959,670
Total.....	2,012,593	66.2	1,025,287	33.8	3,037,880
Not gainful.....	1,484,059	37.6	2,465,747	62.4	3,949,806

Per cent of persons in gainful occupations in the Philippines, Cuba, and the United States, by groups.

Occupation group.	Philippines (1903).			Cuba (1899).	United States (1900).
	Male.	Female.	Total.		
Agriculture.....	57.8	8.8	41.3	48.1	35.7
Professional service.....	1.2	.2	.8	1.4	4.3
Domestic and personal service.....	21.4	13.7	18.8	22.8	19.2
Trade and transportation.....	7.5	7.4	7.5	12.8	16.4
Manufacturing and mechanical pursuits.....	12.1	69.9	31.6	14.9	24.4

The Philippines, therefore, appear to stand about midway between the United States and Cuba in the proportion of workers employed in agriculture.

The average monthly earnings of workers of all classes and both sexes are 8.59 pesos. In the Philippine currency now in use, the cost of plantation and mill labor would be under the equivalent of \$4.50 a month in gold. This rate is stated by the census authorities to include the value of rations served to the laborers.

Area and product of chief cultivated crops.

Crop.	Area cultivated (acres).	Product.
Rice.....	1,464,725	24,402,368 bushels.
Hemp.....	538,199	147,172,166 pounds.
Cocoanuts.....	336,313	94,434,707 pounds copra. ^b
Indian corn.....	266,821	3,391,776 bushels.
Sugar cane.....	177,628	397,311,047 pounds sugar. ^c
Tobacco.....	77,631	37,499,043 pounds.
Cotton.....	7,544	2,914,769 pounds.
Coffee.....	2,469	164,431 quarts.

^a Not including isolated trees and uncultivated groves.

^b Not including 12,033,765 quarts tuba, 1,660,162 quarts oil, and 2,323,148 nuts from the estimated annual product of cultivated trees.

^c Unrefined sugar, not including 471,385 gallons of molasses.

The report continues:

The chief industries of the Philippines are agricultural, and the most important of these is the planting of hemp, sugar, tobacco, and cocoanuts—of the four industries thus emphasized, the cultivation of sugar presents the most conditions analogous to those occurring in other countries, where the problem of labor for tropical agriculture is important. It is the one that affords the most satisfactory data for a comparison of wages, labor efficiency, and standards of living with those prevailing elsewhere or at former periods in the same islands.

Sugar was for many years the most important article of export from the Philippines, and the United States was the principal buyer of this product. For the five years ending with 1887 the average annual exports were 175,775,792 kilos (193,759 tons), of which the United States took 115,252,460 kilos (127,044 tons), or over 65 per cent. During the subsequent five years the average yearly exports increased to 185,062,816 kilos (203,997 tons), but the American purchases fell to 67,303,243 kilos (74,189 tons) per annum, though they still exceeded by nearly 9,000,000 kilos (nearly 10,000 tons) those of any other single country and were fifteen times as great as those of Spain. * * * In Pampanga, which in 1890 exported \$2,000,000 worth of sugar, wages, when hired labor was employed, were 25 cents silver currency a day, or at the rate of exchange then prevailing about 19 cents American currency. Sugar boilers were paid 75 cents silver currency a day, this probably being the highest plantation wage. At the present time wages in the Luzon sugar provinces are 40 to 50 cents silver currency (17 to 21 cents American currency) a day, not really higher than in 1890–1894, prior to the American occupation, though nominally nearly twice the former amount. The system of wages that has until recently prevailed on the sugar plantation of Negros is thus described:

Wage men were lodged in cuartels, or barracks, and received a rice or maize ration of 5 chupas (3½ pints), worth about 6 cents sil-

ver currency, and 3 or 4 cents' worth of fish. The cash wages, in addition to rations, were from \$0.75 to \$1.50 silver currency (approximately \$0.56 to \$1.12½ American currency) a week, and were paid monthly in money.

The actual cash wage of a field laborer is the same or less for a week in the Philippines than for a day in the Hawaiian Islands. Though rations are provided in the former country and not in the latter, the Hawaiian planter has a far greater expense for importing labor, medical attendance, and for quarters and other living conveniences than has his Filipino rival, and he must pay interest on a much higher investment for each ton of sugar produced. The writer saw a nipa barrack capable of accommodating 50 Filipino plantation laborers that cost the planter between \$25 and \$30 American currency. The cost of producing a picul (one-sixteenth of a short ton) of muscovado sugar was given by the proprietors of two plantations in different locations and of different capacity at \$3 silver currency (\$1.26 American currency) a picul, and the cost of marketing at Iloilo at 50 cents silver currency (21 cents American currency) in each case. This would make the cost in American currency of sugar placed in the shipping market about \$23.50 a ton as against an average cost—for a somewhat higher grade sugar—of over \$45 a ton in Hawaii and \$28 a ton in Java. The average selling price of sugar in the Iloilo market in the autumn of 1903 was about \$32 American currency a ton.

The following comparative figures, in American currency, allow some inference to be made as to the relative cost of labor and the profits in sugar production in the Visayan district prior and subsequent to the American occupation:

Wages of field hands and profits in sugar production in Visayan district, 1893 and 1903.

	1893.	1903.
Weekly wages of field hands.....	\$0.56 to \$1.125	\$0.42 to \$0.63
Weekly rations of field hands.....	.50	.70
Iloilo price of sugar per ton.....	48.00	32.00
Planter's cost of sugar per ton.....	24.00	24.00
Planter's profit per ton.....	24.00	8.00

The imperfect methods of manufacture employed in the Philippines are the occasion of great waste, and the product of cane per acre might be indefinitely increased by scientific fertilizing, stripping, irrigation, cane selection, and possibly by deeper plowing and more thorough cultivation. On a single plantation visited the writer estimated that sugar to the value of \$45,000 American currency was being burned up in the bagasse through imperfect extraction alone, and the governor of the province estimated that the loss from this source averaged 45 per cent of the sugar content of the cane. Foreman gives the averaged juice extraction as 56.37 per cent of the full weight of the cane and the weight of the dry bagasse as 26.84 per cent. This would mean that slightly more than 70 per cent of the total juice was extracted, as against 96½ per cent on Ewa plantation in Hawaii; but it is very doubtful if there is more than 55 to 60 per cent extracted in a majority of the Philippine mills.

The following table shows the wages given in the sugar producing provinces:

Average daily wages in selected occupations, by provinces and comandancias, 1903.

[From the Philippine census. The figures are given in pesos and equivalents in United States currency have not been computed on account of the fluctuations in value of the Philippine currency, as shown on page 739.]

Province or comandancia.	Average wages per day, in pesos, of—					
	Farm laborers.	Ordinary laborers.	Carpenters.	Masons.	Painters.	Blacksmiths.
Antique.....	0.52	0.30	0.51	0.42	0.71	—
Bataan.....	.71	.54	1.04	.99	1.01	2.00
Ilocos Sur.....	.46	.35	.67	.59	.84	.79
Iloilo.....	.44	.31	.53	.70	.82	.92
Negros Occidental.....	.33	.37	.64	.67	.91	1.05
Negros Oriental.....	.33	.34	.65	.63	.63	1.09
Nueva Ecija.....	.43	.40	.70	.68	.83	.90
Pampanga.....	.78	.43	.65	.78	1.01	.78
Pangasinan.....	.53	.45	.76	.71	.79	.76
Paragua.....	.25	.26	.33	.28	.25	.38
Rizal.....	1.09	.79	1.33	1.35	1.28	1.41
Philippine Islands.....	.55	.51	.90	.89	1.06	1.11

APPENDIX F.

What is being done to develop the sugar industry in the Philippines by modern methods is shown by the following extract from the Manila Bulletin for 1907:

THE EMPLOYMENT OF AMERICAN STEAM PLOWS IN THE DISTRICT HAS GREATLY INCREASED THE SUGAR OUTPUT, AND THE PLANTERS ARE NOW TRYING TO GET CAPITAL FOR A CENTRAL MILL.

Glance at the map of Negros. About three-fourths of the way down the east coast you will see two islands and back of them, on the mainland, the town of Bals. The level alluvial plain surrounding the town includes some 7,500 acres of the best sugar land, which at present, owing to conditions of capital, labor, tariff, etc., produces less than 90,000 piculs annually, while it might easily produce three times the amount.

Perhaps nowhere in the archipelago is the yield per acre greater than in this district. The hacenderos claim that the soil in the vicinity of Bais is, in many places, more than 12 feet deep. It is a rich black loam. Some of it has been under cultivation for thirty-five years and is still producing. When it is considered that with the obsolete wooden plows still much in use the soil is but poorly turned, the showing is remarkable. Two planters of Bais, however, have modern steam plows that plow to the depth of 14 inches, and their fields are producing like virgin soil.

Don Joaquin Montenegro was among the earliest settlers. He came to the Philippines as mate on shipboard and decided to cast his lot in the country. When he retired from active service, a few years ago, he divided a handsome fortune among his children, but retained his favorite hacienda, Camballao, adjoining the town of Bais, which is now farmed by his son, Señor Felix Montenegro, and is the largest producing property in the district.

Camballao contains 500 hectares, or about 12,500 acres, of rich sugar land, which now produces about 25,000 piculs of sugar annually.

Señor Felix Montenegro is not quite 30 years of age. He is progressive and a hard worker, and is considered one of the most up-to-date hacenderos on the island.

Señor Jose Bocanegra, a Spanish hacendero who is noted for his practical ideas, was the first to substitute a steam plow for the carabao. His brother-in-law, Señor Felix Montenegro, followed his example, and the modern implements have proven a grand success in every way. Señor Bocanegra's machine is a Buffalo-Pitts 35-horsepower traction engine, drawing a gang of six plows. It is really too big for his place, but he leases adjoining lands. The plow can turn the soil to a depth of 14 inches and breaks it up so thoroughly that no additional plowing and harrowing are necessary to prepare the ground for planting. The machine does the work of 100 carabao and 50 men, and can be operated for about 20 pesos per day.

Señor Montenegro's engine is of the same type, but of only 22 horsepower. He would not trade it for all the carabao in the country. He had a field of 7 hectares in which the land appeared to be worn out. Seven times he plowed it with the old-fashioned Chinese plow, but still it refused to yield. Last year the steam plow went over it once, plowing to a depth of 14 inches, and Señor Montenegro has just taken from the field a yield of 1,500 piculs of sugar. This year it has been replanted without additional plowing.

Neighboring planters have offered Señor Montenegro as high as 25 pesos per hectare to plow for them. The machine can do from 2½ to 3 hectares per day, managed and controlled entirely by Filipino labor. Such machines cost, delivered at Bais, about 9,500 pesos each.

In Bais the cane reaches its full strength in from twelve to fourteen months from planting. In most haciendas two ratoon crops are taken off before the ground is replanted. Señor Bocanegra says that if only a handful of fertilizer was put on each plant after the second ratoon, another crop could be taken off equal to the first.

The planters of Bais want capital to erect a central mill in the district, so that they can get out of the milling business and devote all of their time and efforts to planting cane.

APPENDIX G.

It is interesting to note what the Philippine Islands have been doing in the way of trade when their necessities have drawn them into the markets of the world to purchase those articles they do not produce at home to satisfy their limited wants.

There has been so much misinformation published to the American people concerning our trade relations with the islands, and the possibilities of its expansion, that it is well to look to some disinterested source for a true statement of these conditions. The plain unvarnished tale, given in the official language of the British diplomatic and consular reports, makes very different reading from the glowing accounts given to the American public by interests bent on exploiting the islands for their private gain.

In a "Report for the year 1907 on the trade and commerce of the Philippine Islands, edited at the foreign office and the board of trade * * * and presented to both Houses of Parliament by command of His Majesty, November, 1908," being No. 4171 of the series, we find the following:

The customs returns for the calendar year 1907, from which statistics are taken for this report, show a total trade volume of £12,711,135 (\$63,555,675), with a balance of £528,011 (\$2,640,055) in favor of the islands. These figures do not include gold and silver or government free entries. Imports exceed by £810,798 those of 1906, which was a year of depression, and revert to the figures of 1905. There is an increase of £91,005 in exports, which also revert to the position of 1905. The increase in imports is general, though marked activity is noted in cotton goods, which show an increase of nearly £400,000. * * * In 1907 the United Kingdom occupied the leading position in the trade of the islands, with a total of £3,237,399 (\$16,186,995). The gain in 1907 was therefore £185,221 (\$926,105). There were large increases in the importation of British cotton yarn and thread. Iron sheets and plates and condensed milk show large figures. With these exceptions, and the cruder forms of iron and steel, there are no articles peculiarly British, the trade with the United Kingdom being general rather than particular.

The American farmer will be especially interested to know where the Filipino makes his purchases when he goes into the markets to buy agricultural produce, as between our British cousins and ourselves. Take flour, for example. This official British publication says:

In 1903 the proportion of Australian flour was 1½ per cent of the whole imports, while the figures for 1907 show that 62 per cent of the flour imports come from Australia. The following table will show clearly how Australia continues to advance steadily in the wheat-flour market, which in former years was exclusively American.

Country.	1903.	1904.	1905.	1906.	1907.
	£.	£.	£.	£.	£.
United States.....	161,302	143,747	104,573	90,464	78,230
Australia.....	237	7,231	48,404	86,425	129,940
Other countries.....	31	14	1,025	126	594
Total.....	161,570	150,992	154,002	177,015	208,764

Hear what the report says about timber:

Australia held the leading position in this trade in 1905, but fell away in 1906 in favor of America. In 1907 Australia again occupies the leading position.

FRUITS.

Though the importation of fresh fruits from Australia increases constantly, yet the figures are far from satisfactory. It must, of course, be remembered that California is a competitor in this market, but this is not sufficient reason for the backward state of the fruit trade with the South.

HORSES.

Practically all the foreign horses used in the islands, exclusive of the military stock, comes from Australia, and recently orders have been placed at Brisbane for the supply of over 600 horses for cavalry purposes. It is probable that the army mounts will in future be almost entirely obtained from Australia.

CATTLE.

Almost all the importations of cattle to the Philippine Islands come from southern China via Hongkong.

If these figures have little of consolation for the American farmer in them, there is if anything even less satisfaction for the American manufacturer in this British report, as will be seen from the following excerpts:

CANNED SALMON.

Canada supplied 197,094 pounds of canned salmon, valued at £2,823, in 1907, thus marking her entry into a field which has been distinctively American hitherto.

IRON AND STEEL.

The imports of iron and steel are valued at nearly £500,000, over £50,000 in advance of the figures for 1906. The United Kingdom and the United States share about 70 per cent of this total, with a slight advantage in favor of the former. An examination of the remarks column of the imports table No. 1 will reveal the preponderance of the British trade in the cruder forms of these metals, while the United States is credited with manufactured articles of a more advanced degree. Germany is the only other competitor of importance, with a total of over £75,000.

COTTON PIECE GOODS AND YARNS.

In bleached goods, such as shirtings, drills, and yarns, imports are still almost exclusively British, but in gray goods (drills and sheetings) our manufactures are gradually disappearing from the market, finding it harder each year, apparently, to compete against the local mill (which is under British management) and Japan; while in gray yarns Japan seems to have largely monopolized the trade.

Competition from this quarter (Japan) would appear to be growing steadily, and by the introduction of certain fancy cloths (peculiarly Japanese) a considerable business is being worked up.

The official figures of this Government published in the Statistical Abstract, issued by the Department of Commerce and Labor, show how the balance of trade between this country and the Philippines has been steadily against the United States since we acquired that archipelago:

Imports and exports of merchandise into and from the Philippine Islands: Values, 1884 to 1907.

Year.	Imports.			Exports.		
	From United States.	From other countries.	Total.	To United States.	To other countries.	Total.
1884.....	\$398,215	\$18,149,753	\$18,547,968			
1885.....	129,117	15,917,402	16,046,519			
1886.....	424,697	15,272,857	15,697,554			
1887.....	403,034	13,149,125	13,552,159			
1888.....	462,996	15,950,402	16,413,338			
1889.....	558,254	16,678,002	17,236,256			
1890.....	540,506	15,343,554	15,884,060			
1891.....	347,338	16,450,951	16,798,289			
1892.....	208,392	16,106,509	16,314,901			
1893.....	956,706	14,933,796	15,890,502			
1899.....	1,150,613	11,962,397	13,113,010	\$3,540,894	\$8,826,018	\$12,366,912
1900.....	1,657,701	18,943,735	20,601,436	3,522,160	16,228,908	19,751,068
1901.....	2,855,685	27,423,721	30,279,406	2,572,021	20,642,927	23,214,948
1902.....	4,035,243	28,106,599	32,141,842	7,691,743	16,235,986	23,927,729
1903.....	3,944,098	29,027,784	32,971,882	13,863,059	19,258,721	33,121,780
1904.....	4,633,216	28,587,545	33,220,761	11,102,775	19,147,852	30,250,627
1905.....	5,761,498	25,114,852	30,876,350	15,668,026	16,684,589	32,352,615
1906.....	4,333,893	21,465,373	25,799,266	11,579,411	20,337,723	31,917,134
1907.....	5,155,359	23,630,496	28,785,855	12,079,204	21,634,153	33,713,357

This report shows that out of the total imports into the islands during the year 1907, amounting to \$28,785,855, only \$5,155,359 came from the United States, as against \$23,630,496 from other countries, while the exports to the United States exceeded \$12,000,000.

The VICE-PRESIDENT. The amendment offered by the Senator from Florida [Mr. FLETCHER] is the pending question. The Secretary will state it.

The SECRETARY. It is proposed to amend the substitute paragraph, on page 1, line 5, by striking out the colon after the word "countries" and adding the words "except as provided by existing law now in force," and by striking out the remainder of the substitute, so that it will read:

471d. There shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from foreign countries, except as provided by existing law now in force.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida.

Mr. FLETCHER. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GAMBLE (when his name was called). I am paired with the junior Senator from Indiana [Mr. SHIVELY]. I transfer my pair to the senior Senator from New York [Mr. DEPEW] and vote "nay."

The roll call was concluded.

Mr. NEWLANDS (after having voted in the affirmative). I find that I am paired with the senior Senator from Pennsylvania [Mr. PENROSE], and I withdraw my vote.

Mr. FOSTER (after having voted in the affirmative). I find that the Senator from North Dakota [Mr. McCUMBER], with whom I am paired, is absent, and I withdraw my vote.

Mr. MONEY (after having voted in the affirmative). I find that the Senator from Wyoming [Mr. WARREN], with whom I am paired, is absent, so I withdraw my vote.

Mr. STONE (after having voted in the affirmative). I find that the Senator from Wyoming [Mr. CLARK], with whom I am paired, is absent. I withdraw my vote.

Mr. CLAY (after having voted in the affirmative). The Senator from Louisiana [Mr. FOSTER] is exceedingly anxious to be recorded on this vote. I myself will stand paired with the Senator from North Dakota [Mr. McCUMBER], and the Senator from Louisiana can vote.

The VICE-PRESIDENT. The Senator from Georgia withdraws his vote.

Mr. FOSTER. I vote "yea."

The result was announced—yeas 26, nays 43, as follows:

YEAS—26.

Bacon	Davis	La Follette	Stimmons
Bailey	Dixon	McEnery	Smith, Md.
Rankhead	Fletcher	Martin	Smith, S. C.
Borah	Foster	Overman	Tallaferro
Bristow	Gore	Owen	Tillman
Chamberlain	Hughes	Paynter	
Clapp	Johnston, Ala.	Rayner	

NAYS—43.

Aldrich	Carter	Frye	Oliver
Beveridge	Crane	Gallinger	Page
Bourne	Crawford	Gamble	Perkins
Brandeggee	Cullom	Guggenheim	Piles
Briggs	Cummings	Heyburn	Root
Brown	Curtis	Johnson, N. Dak.	Scott
Bulkeley	Dick	Jones	Smoot
Burkett	Dillingham	Kean	Sutherland
Burnham	Dolliver	Lodge	Warner
Burrows	du Pont	Nelson	Wetmore
Burton	Elkins	Nixon	

NOT VOTING—22.

Bradley	Depew	Money	Stephenson
Clark, Wyo.	Flint	Newlands	Stone
Clarke, Ark.	Frazier	Penrose	Taylor
Clay	Hale	Richardson	Warren
Culberson	McCumber	Shively	
Daniel	McLaurin	Smith, Mich.	

So Mr. FLETCHER's amendment was rejected.

Mr. ALDRICH. I ask that the paragraph as amended be agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended will be agreed to.

Mr. BRANDEGEE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Connecticut desire to offer an amendment to the paragraph?

Mr. BRANDEGEE. Yes, sir.

The VICE-PRESIDENT. The paragraph, then, is not agreed to. The Senator from Connecticut offers an amendment to the paragraph.

Mr. BRANDEGEE. I suggest to the chairman of the committee that on page 2 of the proposed amendment, at the end of line 16, the word "tons" is used, while in every other part of the proposed amendment, except in the instance to which I refer, in speaking of the number of tons the words "gross tons" are used. I do not know that it has any particular significance, but I think the language ought to be uniform in every case.

Mr. ALDRICH. What is the Senator's suggestion?

Mr. BRANDEGEE. The Senator from Rhode Island will notice on the first page of the amendment, in line 11, for instance, it says "gross tons."

Mr. ALDRICH. I think it should read "gross tons" in line 16.

Mr. BRANDEGEE. I suggest that the same language be employed in line 16.

Mr. ALDRICH. Very well.

The VICE-PRESIDENT. The amendment proposed by the Senator from Connecticut will be stated.

The SECRETARY. On page 2, line 16, after the words "five hundred," add the word "gross."

The amendment was agreed to.

Mr. BRANDEGEE. I suggest also, in line 18, on page 2, that the word "exemptions" should be changed to the word "exceptions," because, if the Senator from Rhode Island will turn to page 1 of the proposed amendment, in line 9 it provides that these articles shall pay the regular rate, except, and so forth. It seems to me we should use the word "exceptions."

Mr. ALDRICH. There is no objection to that change.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 2 of the printed amendment, line 18, strike out "exemptions" and insert in lieu the word "exceptions."

The amendment was agreed to.

Mr. GORE. The pending motion now is on agreeing to the amendment as amended?

The VICE-PRESIDENT. The pending proposition is to agree to the paragraph as amended.

Mr. GORE. I desire to submit an amendment to the paragraph.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. On line 9, page 1, of the printed committee amendment strike out all after the second word, "except," in that line, down to and including the words "gross tons," on line 11, and insert:

Except sugar in excess of 300,000 gross tons during any one fiscal year: *Provided, however,* That the free importation of 300,000 gross tons per fiscal year shall not extend beyond July 1, 1911.

Mr. GORE. Mr. President, I wish to say that I would vote for any amendment to the pending bill which had any tendency, either direct or indirect, to cheapen the price of sugar to the American people. I will not, however, vote for any amendment which has a direct tendency to enhance the power and profits of the sugar trust without a compensating advantage to the American consumer. The chairman of the Finance Committee has admitted that this amendment, if adopted, will not reduce the price of sugar to the American people. He has also admitted that the adoption of this amendment will reduce the revenues coming into the Treasury of the United States.

Mr. President, it is suggested by the chairman that the only effect and the only benefit resulting from this amendment will inure to the people of the Philippine Islands. Sir, I cherish a deep and abiding sympathy for the unfortunate people of those islands, but I regret that these overflowing sympathies for those stricken people come into the Senate under a guise which justifies the belief that this sympathy for the Filipinos will be worth some eight or ten million dollars to the sugar trust.

I differ from the chairman of the Finance Committee. He believes that the benefits of this amendment will inure to the people of the Philippine Islands. For my own part, I believe that the principal, if not the only, beneficiary of this amendment will be the American sugar trust. During the last six or seven years we have admitted millions of pounds of sugar from Porto Rico free of duty, losing to our Treasury some \$19,000,000 during that period. This concession to the sugar trust, while enhancing their profits, has not reduced the price of sugar to the consumer. We have granted a concession to Cuban sugar of 20 per cent below the Dingley rates. That concession, sir, has operated almost exclusively to the benefit of the sugar trust, and it has not conferred any substantial advantage upon the consumers of sugar in the United States.

I fear that the same consequences will flow from the pending amendment. It remits a duty, or will ultimately remit a duty, aggregating some eight or ten millions per annum. I believe, sir, that is a gift, a gratuity, to the American Sugar Refining Company, and will but slightly benefit the people of the Philippine Islands, and will in no measure prove beneficial to the people of this country.

Now, sir, I am not disposed to confer special favors upon this gigantic, upon this criminal, trust. I am aware that epithets can never take the place of arguments. Intemperate and violent language usually disappoints its own objects, but it is hard to speak with moderation of such immoderate plunderers. Sir,

I arraign the sugar trust at the bar of the Senate as a colossal thief.

That is not an idle, it is not an unsupported accusation. Only a few years ago the sugar trust was caught in the act of stealing water from the city of Brooklyn. It tapped the water main and actually stole water—the paltry pittance resulting from a cheapened water bill from the city which in part vouchsafed protection to its valuable properties. Not only that, Mr. President, but less than two years ago this sugar trust was a convicted criminal, and it paid fines and penalties amounting to \$168,000 for criminal rebates received from the railroads. That is not the only count in this indictment, and it is not the only conviction or confession.

Within the last two months the American sugar trust has paid into the Treasury of the United States some two or three million dollars, stolen—deliberately stolen—from the Treasury, from the people, from the taxpayers of this country; stolen by falsifying its weights, a crime that belongs to the dark ages and which civilization has rarely heard of for the last two or three centuries, yet this colossal trust stands at the bar of the Senate and confesses theft to the amount of two or three million dollars.

These are the three counts which I desire here and now to urge against this mighty criminal. I have not yet heard that they have been accused of robbing a henroost or of rifling a grave, but perhaps they have been more fortunate and have merely escaped detection. It may be, in sooth, that the trust engages in these peculations in order to pay higher wages to its employees.

Now, sir, this issue is presented, in my judgment, by the pending amendment: Shall we confer a gratuity upon the sugar trust eventually amounting to eight or ten million dollars a year? Shall we confer that gift upon the trust at the expense of the Treasury and at the expense of the taxpayers? For if we remit this revenue on sugar, we must make it up by increasing taxes upon other necessities of life. That is the issue presented.

If we desire to bestow this bounty upon this offending trust, then, sir, we ought to vote "yea," in favor of the committee's amendment. If we are not willing to augment their illicit loot by a gift of eight or ten million dollars, we ought to vote "nay."

The amendment which I have offered limits the operation of this committee amendment to two years. It would expire by the operation of law on July 1, 1911. That will afford us an opportunity to observe the practical results of this amendment. If it secures any advantages to the American people, there will be no difficulty in then extending it for a limited time or even indefinitely. If its operation inures to the benefit of the Filipinos, then, sir, it could easily be extended; but if this loot is limited to the sugar trust—if neither the American people nor the Filipinos are to be benefited by this gratuity—then let the gift terminate by the operation of law. Let us mark its practical operation, and if the committee has erred in their judgment and generosity, let this limitation be affixed to the pending amendment.

Mr. President, as shedding a little light on the sugar trust, I ask to have printed in the RECORD two clippings from newspapers of to-day and yesterday. I shall not tax the time of the Senate by asking to have them read.

The VICE-PRESIDENT. Without objection, the articles referred to by the Senator will be printed in the RECORD.

Mr. GORE. Mr. President, these articles illustrate what kindly consideration and indulgence have been manifested toward this trust in days gone by, and show that there is less excuse for the valuable favors about to be conferred upon that concern by the pending amendment.

Let me say here there is one character worse than the criminal himself, and that is the officer of the law charged with the prosecution of crime who neglects his duty, who winks at lawlessness, and who suffers the known criminal to go unwhipped of justice.

In 1894 a scandal grew out of sugar legislation in the United States Senate. Senators from two great States did not escape without soiled reputations. Profits were made, fortunes were enhanced by speculating in sugar stocks on the part of Senators who had inside information. Those practices belong to another and to a different age. No Senator in these times would be guilty of such reprehensible conduct; but speculators on the outside may avail themselves of the advantages of now investing in the securities of the American Sugar Refining Company.

If this amendment is adopted, I predict—and I am not familiar with stock juggling—that it will eventuate in enhancing the values of sugar stocks and securities, in the enhancement of their profits, and will result in absolutely no permanent advantage either to the people of the United States or to the unfortunate people of the Philippine Islands.

The articles referred to are as follows:

BIG TRUSTS LET ALONE—UTERMYER SAYS GOVERNMENT HAS NOT ENFORCED LAW—RUNS FROM PUNISHING CRIME—SUGAR TRUST, ACCORDING TO NEW YORK CORPORATION LAWYER, A LAWBREAKER FROM ITS BIRTH, IS NOW A SCAPEGOAT, SINCE ITS "PRINCIPAL OFFENDERS ARE DEAD"—USELESS TO PUSH CHARGE.

[From the Washington Post.]

NEW YORK, June 15.

Before sailing for Europe on the *Kronprinzessin Cecilie* to-day, Samuel Utermyer, who was counsel for Adolph Segal in the recent suit against the sugar trust, has a few things to say in a typewritten statement about the possible prosecution of the trust on criminal charges. Mr. Utermyer issued the statement in reply to inquiries whether his client had decided to press such a prosecution or to take any active part in aiding it. Instead of answering these questions directly, Mr. Utermyer's statement consisted chiefly of an airing of his views on the general subject of "corporate dishonesty."

Said he, referring to the possibility of criminal prosecution of the sugar trust:

"What would be the use? The sugar company has been a consistent lawbreaker ever since its birth. Its activities in Congress have been one of the scandals of the country for many years. It has robbed the public and ruined its would-be competitors. But it is no worse than many of the others in its criminal methods, and not quite as bad as some."

NOW IT IS THE SCAPEGOAT.

"This suddenly aroused virtuous abhorrence of its methods is amusing. It accidentally happens at the moment to be the scapegoat, but as the Government has waited until after the principal offenders are dead, it does not much matter. Whenever the Government really wants to bring the criminal rich who are managing these conspiracies that are notoriously violating the criminal law within the penalties of that law, it will not be difficult. There never has been an honest, intelligent effort to enforce the ample provisions of the law against any of the monster monopolies."

"The Government has had no trouble in convicting and driving out of business a few poor, struggling, comparatively harmless combinations that were put together to prevent bankruptcy and secure a small profit. But the financial 'buccaneers' who have been holding up the country in the necessities of life, keeping out foreign competition through the tariff at one end and crushing home competition at the other, until the increase in the cost of living is alarming, have remained immune until every lawyer who has had to deal with this big question knows that the pretended enforcement of the law is a huge farce."

"Every time the Government has had a chance to enforce the criminal provisions of the law (which constitute the only effective part, the others being mainly academic), it has run."

MANY REASONS FOR NOT ACTING.

"There are always so many reasons for not doing things that it is never difficult to find one. We learned that lesson in the recent ventilation of corporate dishonesty, when every exposed criminal went unpunished—the most of them back at the old game on slightly modified lines, including the subsidizing of a part of the press through extravagant advertising at the policy holders' expense and jeering at discomfited muck rakers."

Mr. Utermyer adds that the evidence of criminal pools and conspiracies to control prices and restrict production have for years been available in this city if the public authorities had gone about their task with the energy that they do in ferreting out smugglers, counterfeiters, post-office thieves, and other classes of criminals. Mr. Utermyer feels sorry for the future, if it is true, as some Wall street men seem to think, that there has been a reaction in the public in regard to the attacks against criminal corporations. Says he:

"These pools and combinations are growing stronger and more numerous. Individual enterprise is being strangled. Unless they are brought within the clutch of the criminal law and destroyed, the future is fraught with danger. The only way to regulate them is to bury them. So long as the President of the United States can defy the law by giving them immunity and go unrebuked the sentiment of the country is callous. But until the public mind is aroused to a recognition of the extent of the evils from which we are suffering and the far greater dangers that are threatening us it is useless to attempt to bring these men within the law."

WEIGHERS' TRIALS MAY BE PUT OFF.

Whether the trial of the seven sugar-trust weighers, under indictment for conspiracy to defraud the Government, which was set to begin Thursday before Judge Holt in the United States court, will be begun Thursday or will be postponed is at present a matter of doubt. Counsel for the indicted weighers may apply for a postponement on the ground that just at this time their clients might suffer unjustly on trial, owing to the aroused public feeling against the American Sugar Refining Company. On the other hand, the government prosecutor believes that the trial should proceed.

The seven weighers are accused of using fraudulent scales on the docks of the American Sugar Refining Company at Williamsburg. Spitzer was superintendent of the Havemeyer and Elder docks for many years. The other six men were employed by the American Sugar Refining Company as checkers and weighers.

ROOSEVELT WAS WARNED IN 1906 OF SUGAR FRAUDS—RECEIVER EARLE ADMITS HE PLEADED WITH ADMINISTRATION TO PROSECUTE AND THAT HE DIVULGED BOTH THE WEIGHING FRAUDS IN NEW YORK AND THE REBATE PRACTICES—NOTHING IN FICTION TO EQUAL IT, SAYS EARLE—"MOST DRAMATIC, INTENSE, INTRICATE CRIME IN CUNNING EVER BROUGHT BEFORE ANY COURT IN MY TIME"—"I HAVE DETAILS; I IMPERATIVELY NEED YOUR AID," HE WROTE PRESIDENT.

[From the New York World.]

PHILADELPHIA, June 14.

"In common with every other good citizen, I am at the service of my country," said George H. Earle, jr., receiver of the Pennsylvania Sugar Refining Company, to-day, when asked whether he would aid the Government in a criminal prosecution directed against the heads of the sugar trust.

Those who know Mr. Earle keenly appreciated the irony of his remark when they recalled that he had pleaded with and petitioned President Roosevelt and Attorney-General Bonaparte in vain to institute or to permit him to institute just such criminal proceedings as are now threatened by the present Department of Justice. As long ago as November, 1906, Mr. Earle now admits, he warned President Roosevelt and his Attorney-General of the weighing frauds in New York and rebating practiced by the sugar trust, but no action was taken.

EARLE'S PERSONALITY.

Mr. Earle is the son of the late George H. Earle, sr., one of the foremost lawyers of the Philadelphia bar. The son, himself a lawyer, is the executive head of five of the largest banks in the city. He has rescued many concerns from the graveyard of high finance, was too busy to be mayor of Philadelphia, is not "against" trusts, is worth \$5,000,000, but lives on one of his many salaries, and his hobbies are coins, first prints, and a model farm. He was offered \$100,000 for reviving the Real Estate Trust Company and went into court and told the judge that his services were worth only \$50,000, and he has not yet collected the \$50,000 because "the company needs the money more than I do."

While a financial genius Mr. Earle has absolutely no ambition for great wealth or political preferment and no desire for social glories. Upon his unsupported word the 55,500 depositors of the defunct Real Estate Trust Company turned over to him all that was left of \$7,500,000 deposits at the time of the crash, August 28, 1906, and every stockholder in the company assigned his property to Mr. Earle without "recourse or recovery," without a scratch of a pen to safeguard the equity.

"It would be manifestly improper for me to discuss any phase of the sugar-trust case at this time," said Mr. Earle, "because I am still an officer of the court in my capacity as receiver of the Pennsylvania Sugar Refining Company."

"Does the same apply to the Government and its agents?" he was asked.

"Oh, yes; I suppose so. They did not care to discuss the case two or three years ago, and I prefer not to talk about it now, for the more particular reason that we have agreed upon a settlement, and I consider it hardly fair to agree to a settlement and then participate in an exposé of the other party to the bargain. Then, too, I must keep in mind the fact that the court has yet to review the terms and conditions of our settlement, and I might be subjected to some criticism for commenting upon the case at this time."

GAVE WARNING IN 1906.

"Have you had any conferences with J. H. Graves, special assistant United States Attorney-General, or with E. V. Roadstrum, the special agent, both of whom are supposed to be gathering evidence against the sugar trust management with a view to criminal prosecutions?"

"Neither of the gentlemen you name have called upon me. I suppose they are studying up the documents in the case, which are full of meaty evidence."

"Is it true that you directed the attention of the Government to the scale frauds and rebating more than two years ago?"

"Mr. Frank L. Neall, of Peter Wright's Sons, told me about these frauds so long ago that I can not now fix the date, but I certainly wrote to the Attorney-General about them on November 8, 1906, as the papers in the Pennsylvania Refinery case show."

"Do you consider President Roosevelt and Mr. Bonaparte as being directly responsible for throttling a proper inquiry in 1906?"

"I am not fixing responsibilities. I am not naming men who performed their duties, nor am I pointing out anyone who failed to measure up to their responsibilities. I am merely 'pointing with pride' to the papers in the case, and, otherwise, I am engaged in preparing memoranda upon which to base my report to the court that named me receiver."

"I must not be placed in the position of discussing this case in any phase for publication. It would be discourteous to the court. What I have said I will stand by. What I would like to say is another matter. I will repeat, however, that fiction knows no story equal to the cold-blooded facts in the conspiracy which has been proved in this case, and I shall always consider myself amply repaid for my work in this matter if I get nothing more out of it than the satisfaction of having been a player in what I consider the most dramatic, intense, intricate crime in cunning ever brought before any court in my time."

"I am prepared to substantiate every charge I have made, but I will not enter into any discussion of the matter outside of the court for the reasons I have stated; first, because it would be discourteous to the court, and, next, it would be unkind, if not unfair, to those who have agreed to effect a satisfactory settlement of this issue."

If the managers of the sugar trust were cunning in devising the plan to gain control of the Pennsylvania Sugar Refining Company, to close up the great plant before steam was ever generated in one of its boilers, and to pave the way for disaster, disgrace, dishonesty, and death, George H. Earle, jr., was supercunning in getting the facts before the country first and then before the courts.

SPREAD ON SENATE RECORDS.

When President Roosevelt and Attorney-General Bonaparte declined or neglected to publish Mr. Earle's letters in the early days of this case, Senator CULBERSON, of Texas, asked in the Senate for all the documents in the case. Pennsylvania was represented in the Senate by Philander C. Knox, now Secretary of State, and BOIES PENROSE, whom Mr. Earle has known all his life. Just why the Senator from Texas should concern himself about a matter so intimately connected with Philadelphia and Pennsylvania is one more mystery of the many in the case. President Roosevelt and his Attorney-General, Mr. Bonaparte, forwarded the documents, as CULBERSON requested, and by this proceeding Mr. Earle spread upon the records the fact that the President was in possession of the cardinal facts in two great suspected crimes, and that neither he nor the Attorney-General had shown an inclination to act in the case.

That Mr. Earle put this "crime in cunning" squarely up to President Roosevelt soon after he learned of it is proved by his letter, dated September 21, 1906, in which Mr. Earle, addressing the President by name, said:

"I have all the details of this conspiracy. I believe I know all the individuals responsible for it. If I am to take this journey alone, I am determined to discharge the duties that my conscience places upon me without regard to the results to me personally; but I have every reason to believe that you whom I address are fortunately a man of like mettle, and I am absolutely convinced that you have a larger and greater duty to the public than I myself."

"I represent but a body of innocent stockholders and creditors, who have incidentally been crushed by an effort to plunder the whole people. You represent that people. I imperatively need your aid and cooperation. With it I feel assured that justice will be done; without it I may be myself crushed in the effort to obtain justice for the smaller body which I represent; but with it or without it, no consideration that I have been able to give this subject has enabled me to feel that I can possibly absolve myself from the duty of going on—with you, if such good fortune awaits me; without you, I must act alone."

DOCUMENTARY EVIDENCE.

"I have not gone into the details of this matter. The details I have, and they are at your service or that of the Attorney-General of the

United States. Of course you will understand that all this I have upon information; but one of the peculiarities of this crime has been that the parties engaged in it, whether made reckless by past successes and immunities or not, have left a perfectly inconceivable amount of documentary evidence of what I believe to be their crimes."

"I am overwhelmed with the duties of this receivership. It is complicated and trying beyond words. But I trust that you will understand that I shall at any moment give up any time necessary to inform you of the conditions that I have found existing."

"One thing I wish to guard you against, and that is the impression that I am actuated in my part of this because of a prejudice against the sugar or any other trust, for I believe a large cooperation to be an absolutely essential thing in so great a country as ours. Cooperation means power and power advances the undertakings of man and civilization; but while I believe in creating and fostering the greatest amount of energy possible, I as strongly believe that the energy will become a curse instead of a blessing if it be permitted to be turned to base and criminal ends, by men intrusted with such duties as yourself on behalf of that greater power which is made up of all the people, cooperating through the state, of which you are the chief. And so I now appeal to you."

This letter to the President was written by one of the most learned lawyers in the land, by a man of many millions, and one whose word is good with more than 1,000,000 people in his home town.

EARLE APPEALED TO MOODY.

President Roosevelt acknowledged the receipt of the document through his secretary's secretary. Six weeks later Mr. Earle addressed a last appeal to the then Attorney-General, William A. Moody, who now sits upon the Supreme Bench of the United States. In his letter of appeal Mr. Earle gave Attorney-General Moody an outline of the essential evidence in his possession, and in closing said:

"Standing alone, is this a case that the Government of the United States can afford to ignore? Has there ever been another like it in wickedness?"

In justice to Mr. Moody, it is right to set out with particular emphasis the fact that he was then about to retire from the Roosevelt Cabinet to go upon the Supreme Bench.

It was agreed by all parties concerned that it would be manifestly improper for him as Attorney-General to pass upon a case which he, as a justice of the highest court in the land, might later have to pass upon as a judge.

In this same letter to Attorney-General Moody, which saw the light of day after Senator CULBERSON had demanded its publication, Mr. Earle, with brutal frankness, described the incidents that immediately led up to the suicide of Frank K. Hipple, president of the Real Estate Trust Company, in this city, the wreck of the Pennsylvania Sugar Refining Company, the collapse of all the great enterprises of Adolph Segal, except the Hotel Majestic, and many domestic tragedies.

Months later Attorney-General Bonaparte, after carefully reviewing the correspondence and without calling for the more detailed evidence at hand and at his service, solemnly wrote to Mr. Earle, setting out his belief "that the Knight case finally disposed of the matter under discussion." That was the end of it, so far as Mr. Bonaparte figured in the case. In the Knight case the essential point hinged on a question of legal or illegal consolidations.

In another communication addressed to the Attorney-General Mr. Earle said in part:

"My embarrassment does not result from scarcity of material, but from the fact that I do not wish to engage in writing what must read like a French detective story of crime, for in all my experience I have never known of anything quite so infamous as the case I have now to present to you."

"I have come upon evidence that justifies the suspicion that they are strengthening their monopoly, not merely by rebating and like infractions of the law, but by the most serious frauds upon the customs of the Government."

"The brief which I am preparing for you as to the law is nearly completed."

"I have written the President and your department again and again that we hold this evidence, and a mass of it, and have again and again requested that it be examined."

THE VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Oklahoma [Mr. GORE].

Mr. GORE. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CRAWFORD. Mr. President, just for information, I ask if, this amendment should be voted down, it would leave the original one hundred and fifty millions to be imported?

THE VICE-PRESIDENT. It would leave the amendment as it was before the amendment of the Senator from Oklahoma was proposed.

The Secretary proceeded to call the roll.

Mr. FLINT (when his name was called). I am paired with the senior Senator from Texas [Mr. CULBERSON]. In his absence, I withhold my vote. If he were present, I should vote "nay."

Mr. FRYE (when his name was called). I transfer my pair with the senior Senator from Virginia [Mr. DANIEL] to my colleague [Mr. HALE] and vote. I vote "nay."

Mr. OLIVER (when Mr. PENROSE's name was called). I wish to state that my colleague [Mr. PENROSE] is necessarily absent to-day. He is paired with the Senator from Nevada [Mr. NEWLANDS].

Mr. BURROWS (when the name of Mr. SMITH of Michigan was called). My colleague [Mr. SMITH of Michigan] is paired with the Senator from Mississippi [Mr. McLAURIN].

The roll call was concluded.

Mr. MONEY. My colleague [Mr. McLAURIN] is necessarily absent for a moment. He is paired, as has just been stated, with the Senator from Michigan [Mr. SMITH]. If present, my colleague would vote "yea."

Mr. FOSTER (after having voted in the affirmative). In the absence of the Senator from North Dakota [Mr. McCUMBER], with whom I am paired, I withdraw my vote.

Mr. STONE (after having voted in the affirmative). I have just been informed that the Senator from Wyoming [Mr. CLARK], with whom I am paired, has not voted.

The VICE-PRESIDENT. The Senator from Wyoming has not voted.

Mr. STONE. Then, I withdraw my vote.

The result was announced—yeas 25, nays 43, as follows:

YEAS—25.			
Bacon	Davis	Martin	Smith, Md.
Bailey	Fletcher	Money	Smith, S. C.
Bankhead	Gore	Overman	Tallaferro
Bristow	Hughes	Owen	Tillman
Chamberlain	Johnston, Ala.	Paynter	
Clapp	La Follette	Rayner	
Cummins	McEnery	Simmons	

NAYS—43.			
Aldrich	Crane	Gallinger	Page
Bourne	Crawford	Gamble	Perkins
Brandeggee	Cullom	Guggenheim	Piles
Briggs	Curtis	Heyburn	Root
Brown	Dick	Johnson, N. Dak.	Scott
Bulkeley	Dillingham	Jones	Smoot
Burkett	Dixon	Kean	Sutherland
Burnham	Dolliver	Lodge	Warner
Burrows	du Pont	Nelson	Warren
Burton	Elkins	Nixon	Wetmore
Carter	Frye	Oliver	

NOT VOTING—23.			
Beveridge	Culberson	Hale	Shively
Borah	Daniel	McCumber	Smith, Mich.
Bradley	Depew	McLaurin	Stephenson
Clark, Wyo.	Flint	Newlands	Stone
Clarke, Ark.	Foster	Penrose	Taylor
Clay	Frazier	Richardson	

So Mr. GORE's amendment was rejected.

Mr. DICK. I desire to offer the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment proposed by the Senator from Ohio will be stated.

The SECRETARY. It is proposed to amend an amendment offered by Mr. SMOOT on the 11th day of June to paragraph 471d, page 189, by striking out commencing with the word "wrapper," in line 11, page 1, to and including the word "prescribed," in lines 4 and 5, page 2; and also the words "and tobacco," in line 6, page 2; and the words "and tobacco," in line 9, page 2.

Mr. DICK. Mr. President, the purpose of the amendment is to eliminate wrapper tobacco, filler tobacco, and manufactured cigars from the operation of the pending amendment if it be finally adopted.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Ohio.

The amendment was rejected.

The VICE-PRESIDENT. The question is on agreeing to the paragraph as amended.

Mr. ALDRICH and Mr. BACON called for the yeas and nays, and they were ordered.

Mr. BACON. Mr. President, there is a misapprehension as to what the vote is to be taken on.

The VICE-PRESIDENT. The question is on agreeing to the paragraph as amended.

Mr. CRAWFORD. The paragraph as amended, as I understand, reduces the number of cigars which may be imported to 70,000,000?

Mr. ALDRICH. The question is on the paragraph as amended.

The VICE-PRESIDENT. The vote is now on agreeing to the paragraph as amended.

Mr. ALDRICH. The entire scheme.

Mr. CRAWFORD. As amended, it reduces the importation of cigars, as I understand, to 70,000,000.

The VICE-PRESIDENT. Certainly.

Mr. GALLINGER. Regular order!

The Secretary proceeded to call the roll.

Mr. FLINT (when his name was called). I again announce my pair with the senior Senator from Texas [Mr. CULBERSON]. If he were present, I should vote "yea."

Mr. MONEY (when Mr. McLAURIN's name was called). My colleague [Mr. McLAURIN] is necessarily absent, and is paired with the Senator from Michigan [Mr. SMITH]. If my colleague were present, he would vote "nay."

Mr. STONE (when his name was called). I have a general pair with the Senator from Wyoming [Mr. CLARK]. In his absence, I withhold my vote. If the Senator from Wyoming were present, I should vote "nay."

The roll call was concluded.

Mr. FOSTER. In the absence of my pair, the senior Senator from North Dakota [Mr. McCUMBER], I withhold my vote. If he were present, I should vote "nay."

Mr. NEWLANDS (after having voted in the negative). In the absence of my pair, the senior Senator from Pennsylvania [Mr. PENROSE], I withdraw my vote.

Mr. DANIEL (after having voted in the negative). I am paired with the senior Senator from Maine [Mr. HALE], and therefore desire to withdraw my vote. When I voted I did not notice the Senator from Maine was absent.

Mr. FLINT. I desire to transfer my pair with the senior Senator from Texas [Mr. CULBERSON] to the senior Senator from New York [Mr. DEFEW] and vote. I vote "yea."

The result was announced—yeas 42, nays 28, as follows:

YEAS—42.			
Aldrich	Crane	Frye	Page
Bourne	Cullom	Gallinger	Perkins
Brandeggee	Cummins	Guggenheim	Piles
Briggs	Curtis	Heyburn	Scott
Brown	Dick	Johnson, N. Dak.	Smoot
Bulkeley	Dillingham	Jones	Sutherland
Burkett	Dixon	Kean	Warner
Burnham	Dolliver	Lodge	Warren
Burrows	du Pont	Nelson	Wetmore
Burton	Elkins	Nixon	
Carter	Flint	Oliver	

NAYS—28.			
Bacon	Clay	La Follette	Rayner
Bailey	Crawford	McEnery	Root
Bankhead	Davis	Martin	Simmons
Borah	Fletcher	Money	Smith, Md.
Bristow	Gore	Overman	Smith, S. C.
Chamberlain	Hughes	Owen	Tallaferro
Clapp	Johnston, Ala.	Paynter	Tillman

NOT VOTING—21.			
Beveridge	Depew	McLaurin	Stephenson
Bradley	Foster	Newlands	Stone
Clark, Wyo.	Frazier	Penrose	Taylor
Clarke, Ark.	Gamble	Richardson	
Culberson	Hale	Shively	
Daniel	McCumber	Smith, Mich.	

So the paragraph as amended was agreed to.

Mr. PAYNTER obtained the floor.

Mr. ALDRICH. I ask the Senator to yield to me for a moment for the purpose of offering an amendment.

Mr. PAYNTER. Certainly; I yield to the Senator.

Mr. ALDRICH. In accordance with previous notice, I ask now to take up paragraph 190, on pages 66 and 67.

The VICE-PRESIDENT. In the absence of objection, paragraph 190 will now be taken up.

Mr. ALDRICH. I offer a substitute for paragraph 190.

The VICE-PRESIDENT. The Secretary will state the proposed substitute.

The SECRETARY. On page 66, paragraph 190, zinc, strike out paragraph 190, and insert in lieu thereof the following:

190. Zinc-bearing ore of all kinds, including calamine, containing less than 10 per cent of zinc, shall be admitted free of duty; containing 10 per cent or more of zinc and less than 20 per cent, one-quarter of 1 cent per pound on the zinc contained therein; containing 20 per cent or more of zinc and less than 25 per cent, one-half of 1 cent per pound on the zinc contained therein; containing 25 per cent of zinc or more, 1 cent per pound on the zinc contained therein: *Provided*, That on all importations of zinc-bearing ores the duties shall be estimated at the port of entry, and a bond given in double the amount of such estimated duties for the transportation of the ores by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores at such establishments they shall be sampled according to commercial methods under the supervision of government officers, who shall be stationed at such establishments, and who shall submit the samples thus obtained to a government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample, and report the result to the proper customs officers, and the import entries shall be liquidated thereon, except in case of ores that shall be removed to a bonded warehouse to be refined for exportation as provided by law. And the Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.

Mr. STONE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Kentucky yield to the Senator from Missouri?

Mr. PAYNTER. I yield to the Senator from Missouri.

Mr. STONE. I offer the amendment which I send to the desk as an amendment to the amendment.

The VICE-PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. After the figures "190," numbering the paragraph, strike out the remainder of the paragraph and insert:

Zinc in blocks or pigs; zinc, old and worn-out, fit only to be manufactured; oxide of zinc in whatever form or combination; and all manufactures made wholly of zinc, or of which zinc is a material component, shall be admitted free of duty.

Mr. PAYNTER. Mr. President, I shall detain the Senate but for a few moments; and I desire to express my regret that I have even to do that, as I trust our labors may be soon completed in the consideration of this bill.

It is not so much my purpose to make a defense of my vote to place a duty of 25 cents per ton on iron ore as it is to give the Senate some information which I have acquired. In the first

tariff bill a duty was placed on iron ore, and a much higher one than the one for which I voted has been maintained by all subsequent revenue bills, including the Wilson bill, which placed it at 40 cents per ton. Every Democrat in the Senate except one during the consideration of the Wilson bill voted against admitting iron ore free of duty. It has not been asserted in this Chamber that the duty of 25 cents per ton, which is about 8 to 10 per cent ad valorem, is anything but a revenue duty and that the imposition of which is not in accord with the repeated declarations of the Democratic party that the tariff duties should be levied and collected on a revenue basis. A free list has always been and will be maintained. As to what imported articles should be placed upon it is necessarily a matter for individual opinion and judgment of the members of the Democratic party who believe in imposing duties for revenue only.

A certain amount of revenue must be raised by means of tariff duties. If we increase the free list, we necessarily must make good the loss of revenue resulting from the free list by increasing the duty on other imported products, perhaps on cotton or woolen goods, thus increasing the cost of clothing to the consumers. So far as I am concerned, I would prefer to see the duty that will be collected on iron ore go into the Treasury than to see its equivalent go into the pockets of the manufacturers, as it would certainly go there if the ore is admitted free. No mathematician or statesman can show, by figures or otherwise, that the consumers would be able to buy the product of the iron manufacturer at a price that would save them the amount of duty paid on the iron ore from which it was produced. The manufacturers would be the gainers to the extent they did not pay a duty on iron ore, and the taxpayers would be compelled to make good the loss in the revenues. It would seem that to give the manufacturer free iron ore and protection on his manufactured product is the bestowal of a double blessing in the way of protection. At the time the Democratic party declared in favor of free raw material it was demanding that there should be a radical reduction in the duties on the manufactured product, the idea being that the manufacturer could stand the reduction on the manufactured product if he could get the raw material at a reduced price, and by that process enable the consumer to buy the product of the mills and factories cheaper.

No such reduction in the manufactured product has been made in the bill under consideration, nor will any subsequent reduction be made thereby; hence, the scheme has failed. It is folly to proclaim that duties are too high, that the manufacturers are overprotected, and then allow the duties which give protection to remain and pretend to give relief to the consumers by giving the favored manufacturers their raw material free, for in doing so there is an addition to his protection. The giving of free raw material does not compel the manufacturer to sell the manufactured product at a reduced price. It does not produce competition in the manufactured article. There may be cases where an exception to this rule should be recognized, as in the cases of monopolies. If the raw material in this country was controlled by a monopoly, or the finished product was so controlled, I should be inclined to vote in a way so as to destroy such monopoly. This statement brings me to the real question I arose to discuss.

As no Democratic Senator voted against placing iron ore on the dutiable list because 25 cents per ton was in excess of a revenue duty he must have been influenced to do so by some other cause. The junior Senator from Maryland [Mr. SMITH] did so because he was under the impression that the United States Steel Corporation wanted a duty on iron ore and the independent concerns wanted it free of duty. At the time I voted to place a duty on it, I did not know the wishes of the United States Steel Corporation or those of the independent concerns, as no one representing either had interviewed me upon the subject.

I was influenced entirely by the consideration that, as the Government needed the revenue, it was better to place the amounts that would result from a duty collected on iron ore in the depleted Treasury than to place it in the pockets of the United States Steel Corporation or those of the independent producers of iron or steel. After the junior Senator from Maryland [Mr. SMITH] made a statement as to what induced him to vote for free iron ore, I began a little investigation to see if I had made a mistake in casting my vote. I think I owe it to the country and to the Members of this body to give the result of my investigations. Mr. Joseph G. Butler, jr., represented before the Ways and Means Committee the independent iron-ore producers and 90 per cent of the manufacturers of merchant pig iron. After learning this fact, I approached him in quest of information. He answered my inquiries, and I requested him to do so by letter, which he did. I send to the Clerk's desk a copy of his letter and ask that it be read.

The VICE-PRESIDENT. Without objection, the Secretary will read.

The Secretary read as follows:

YOUNGSTOWN, OHIO.

MY DEAR SENATOR PAYNTER: Referring to our conversations of Thursday and Friday last, I write to say that at a meeting of iron-ore producers and merchant pig-iron manufacturers held in New York City on November 24, 1908, I was selected to represent the above interests and appear before the Ways and Means Committee.

At subsequent meetings, held on March 24 and on April 14, this authority was confirmed and continued, and at the last-named meeting there was added to the committee Mr. F. S. Witherbee, Mr. Leonard Packitt, and Mr. J. H. Frantz.

Briefs were submitted on January 20, 1909, March 30, 1909, and April 29, 1909, and copies sent to all the United States Senators.

The independent iron-ore interests which I represent believe that the duty of 25 cents per ton as fixed in the Senate Finance bill is fair and equitable, and it meets with the approval of all the independent producers of iron ore and more than 90 per cent of the manufacturers of merchant pig iron. I consider, and the independent interests I represent believe, that it is inconsistent for the manufacturers of iron and steel in this country to ask and insist upon iron ore coming in free of duty and at the same time insist on their finished product bearing duty.

The assertion has frequently been made in the United States Senate that the United States Steel Corporation owns 80 per cent to 85 per cent of the iron ore in the United States. This statement is absolutely untrue, and I am hoping to be able to send you within a very few days a statement showing as nearly as it can be estimated the amount of available ore by districts in the United States and the ownership therein of the United States Steel Corporation.

I can say frankly now that in my judgment the United States Steel Corporation, I do not believe, owns more than 25 per cent of the iron ore in the United States, and I hope, when I obtain further figures added to those now in my possession, that I may be able to write you and give you a very close estimate.

I will be pleased to have your acknowledgment of this letter.

J. G. BUTLER, JR.

Hon. T. H. PAYNTER,
Washington, D. C.

Mr. SMITH of Maryland. The statement I made was not that the United States Steel Corporation owned 80 or 85 per cent, but it was that it controlled 80 or 85 per cent of that west of the Allegheny Mountains. I did not state that they owned that much, but that they controlled it, which is a very different proposition.

Mr. PAYNTER. I did not quote the Senator at all upon that proposition.

Mr. SMITH of Maryland. This letter does.

Mr. PAYNTER. This letter does not quote the Senator from Maryland at all, and I was not pretending to give the words, but to give the effect of his statement as to what induced his vote on that question, not with a view of criticising the Senator from Maryland, but to show one of the considerations that influenced Senators upon the question.

Rogers, Brown & Co., whose principal office is in Cincinnati, conducts the largest iron-commission business in the world; they belong to the class known as the "independent" producers of iron, and are interested in 10 different furnace stacks.

I think their output is over 3,000 tons daily, and so I sought from them some information upon this subject, and in response to it I have this letter, which I send to the clerk's desk and ask to have read.

The Secretary read as follows:

ROGERS, BROWN & CO.,
Cincinnati, May 25, 1909.

Hon. T. H. PAYNTER,
Washington, D. C.

DEAR SIR: We most respectfully call your attention to the proposed reduction in the duty on iron ore. It has been expected that the tariff would be reduced and the iron men generally of the country have conceded that a cut of 15 cents per ton, from 40 cents down to 25 cents, could be made without serious detriment to the mining interests of the United States, and at this figure during the coming years the revenue to the Government may possibly be increased somewhat.

There seems to be an impression that any duty retained on ore will inure to the special benefit of the Steel Corporation, and that the independent interests of the country might be helped if the duty was entirely removed. The fact is, however, that during recent years the independent companies have made the bulk of the pig iron for the open market and have to a large extent interested themselves in ore properties and have put up many millions of dollars to develop them so that they would have sources of supply.

The furnace companies in which we are interested, with 10 different stacks, located in Illinois, Ohio, New York, and Pennsylvania, formed a company some time ago with \$1,000,000 capital, and since then have formed another with \$300,000 capital for the purpose of developing mines in the Lake Superior district. The Empire Steel and Iron Company, in Pennsylvania, of which the writer is a director, owning 8 blast furnaces, has spent a large amount of money also in developing local ore mines for its own use, and what we have done has been done by other blast-furnace people on a large scale.

While the Steel Corporation may be benefited by a duty on ore, its position is such that we believe it can do business at a profit at prices which would put the rest of us out of the running, and it is in behalf of the independents that we are writing you.

So far as we are able to learn free ore might help a few of the steel plants that have blast furnaces located on the seaboard or in the extreme East, who would draw their supply from Cuba and other points where they could get their mining done at prices for labor impossible in this country. If reports are true, those parties can well afford to pay a duty of 25 cents per ton on the ores they may bring in from Cuba and Spain, and the Government, we believe, is justly entitled to that amount of revenue from the ore imported. There is certainly no reason why the United States should foster and help develop mines in

other countries and by so doing either shut down the mines here or force a radical cut in wages.

We believe that a duty on ore is a legitimate means of raising money to help pay the expenses of the Government, and that it is a tax that is borne in a very slight degree, if at all, by the workmen of this country, while to the extent that it increases our mining interests at home it is a direct benefit to the working classes.

We trust you may find it consistent to vote for a duty of 25 cents per ton on ore.

There has been considerable discussion about reducing the rate on imported scrap down to 50 cents per ton. This has apparently been brought about by the efforts of a comparatively few consumers in the East, who get protection on their manufactured output, but who desire to get their so-called "raw material" free. We believe that an investigation of this subject will convince you that as scrap is used in the place of pig iron it should bear the same rate of duty that may be fixed on pig iron, which we trust will not be less than \$3 per ton.

Kindly pardon us for writing you at such length, but these matters directly concern hundreds of thousands of employees and many millions of dollars that have been invested by the manufacturers.

Very truly, yours.

ROGERS, BROWN & Co.,
By D. B. MEACHAM.

Mr. PAYNTER. From this letter it appears that Mr. D. B. Meacham, a member of the firm of Rogers, Brown & Co., is also a director in another corporation which owns some furnaces. These letters not only show that the independent iron manufacturers, except a few along the Atlantic coast, did not want free iron ore, but were of the opinion that it was inconsistent to ask for free iron ore and, at the same time, receive ample protection on their manufactured product. I regard the letters which I have had read as a valuable contribution to the discussion of the question, and that they will serve a useful purpose to preserve historical accuracy.

I hold in my hand an article from the Manufacturers' Record of May 27, 1909, which gives some very interesting information on the subject of iron ore. It is stated that the Spanish-American Iron Company (the stock of which is owned by the Pennsylvania Steel Company) owns 27,000 acres of iron-ore-bearing lands in Cuba; that the ore beds average from 10 to 19 feet in thickness; that it is estimated they contain 600,000,000 tons; that the ore can be mined and put on the cars with a steam shovel at a cost of 10 cents per ton; that the Pennsylvania Steel Company is under contract with the Spanish-American Company to take not less than 1,000,000 tons per annum, and that the Pennsylvania Steel Company is owned by the Pennsylvania Railroad Company and the Reading Company.

It also appears that the Bethlehem Steel Company, headed by Charles M. Schwab, owns a quantity of ore-bearing lands in Cuba equal in quantity and richness to that of the Spanish-American company, and that Mr. Carnegie is said to be backing the latter concern. The aggregate quantity of iron ore owned in Cuba by the two concerns named is said to be equal to the holdings of the United States Steel Corporation in the Lake Superior district.

The Pennsylvania Steel Company and the Bethlehem Steel Company might, perhaps, want free iron ore, because if they import as much iron ore as is predicted by the Manufacturers' Record they would save making a yearly contribution to the United States Treasury of the sum of \$500,000, while the consumers of iron would not be benefited by granting them such privilege.

I ask to have the article from the Manufacturers' Record printed with my remarks, without reading.

Mr. BACON. Let it be read.

Mr. PAYNTER. It is a pretty long article, and I dislike to interrupt the proceedings of the Senate to that extent.

The VICE-PRESIDENT. Without objection, the article will be inserted in the RECORD.

The article referred to is as follows:

POSSIBLE RESULTS THAT WOULD FOLLOW A REDUCTION OF DUTY ON IRON ORE.

[Reprinted from Manufacturers' Record, May 27, 1909.]

The Pennsylvania Steel Company is under contract with the bondholders of the Spanish-American Iron Company to import not less than 1,000,000 tons of Cuban ore annually. This contract was made when the bonds of the Spanish-American Iron Company, the stock of which is owned by the Pennsylvania Steel Company, were sold to the public last year. Thus, regardless of whether the duty on these ores be 25 cents or 75 cents a ton, this million tons will come into the country. The agreement was that the Pennsylvania Steel Company would "take and pay for a minimum of 1,000,000 tons of ore annually." The aggregate might run far beyond 1,000,000 tons. There is no condition to the contract with relation to the question of duty. With an estimated quantity of 600,000,000 tons of high-grade ore which can be mined by steam shovels at a very low cost, a duty of 75 cents a ton would no more interfere with the incoming of this ore than would a duty of 25 cents a ton. The contract stands without any loophole, and, as the Pennsylvania Steel Company is practically owned by the Pennsylvania Railroad and the Reading Railroad, there is ample financial backing to carry out not only this contract, but any other contract that this company might desire to make. This ore is a great bed, covering many thousands of acres. It has no overburden and can be scooped up by steam shovels as easily as could a bed of gravel. A large contractor who has made a personal study of it says the ore can be put on the cars at a cost of 10 cents a ton for the steam shoveling. The Pennsylv-

vania Company owns 27,000 acres of it, averaging 18 to 19 feet thick, and fully tested by thousands of drill holes.

Mr. Charles M. Schwab in his testimony before the Ways and Means Committee of the House of Representatives stated that the Bethlehem Steel Company had ceased to use domestic ore and was using nothing but Cuban ore. With a view to the use of Cuban ore the Bethlehem Steel Company has within the last year or two expended \$17,000,000 or \$18,000,000 in building new furnaces and in the enlargement of its plant. When this vast expenditure was made there was no reason to suppose that there would be any reduction in the duty on iron ore. In fact, Mr. Schwab at the same time testified that Cuban ore could be landed on the Atlantic coast and carried by rail to Pittsburgh and delivered there as cheaply as Lake ores. His company claims to own as much Cuban ore as the Pennsylvania Steel Company has definitely proved up, or a minimum of 600,000,000 tons.

These are interesting facts previously published in the Manufacturers' Record, but they are worth repeating. With the Pennsylvania Steel Company committed to the use annually of 1,000,000 tons of Cuban ore as a minimum, and with the Bethlehem Steel Company spending \$17,000,000 or \$18,000,000 on the enlargement of its plant with a view to using Cuban ores exclusively, these two concerns would necessarily have to consume about 2,000,000 tons of Cuban ore as a minimum. They could afford to do so even with a duty of 75 cents a ton and thus add to the revenue of the Government to that extent.

These two vast concerns—one backed by the Pennsylvania and the Reading railroads and the other supposedly backed by Mr. Carnegie—own, according to their own statements, about 600,000,000 tons each of Cuban ore, or in the aggregate about as much as the Steel Corporation is supposed to own in the Lake Superior district, even including the ores leased from Mr. James J. Hill and the Great Northern Railroad. These ores are mined in Cuba by poorly paid labor as compared with the wages of American miners. They are delivered on the Atlantic coast by water transportation. To the extent of the needs of these two companies these ores will be brought to this country, even if the duty should be 75 cents a ton. Moreover, on all of the finished products made out of these ores and exported there is a drawback of 99 per cent of the duty on the ores, so that the foreign trade of these two companies, already very large, would reduce the actual amount of duty paid by them to practically nothing on their foreign shipments. A reduction of the duty to 25 cents a ton would simply to that extent increase the value of the holdings of these two companies and give them the whip handle over the independent iron and steel people who are not so fortunate as to own Cuban ores.

It is not at all improbable that if a reduction of the duty on ore could be brought about these two companies might be in a situation to practically force a deal by which the United States Steel Corporation, in order to secure their vast holdings of iron ore, might be willing to pay them almost fabulous prices for their properties. Should this be done, the Steel Corporation would be still further strengthened in its iron-ore holdings and would then have a complete mastery practically of the world's iron and steel trade, and the independent iron and steel people in the North and West and South would then be able to live only by sufferance. Those who have been favoring free ore or a reduction might in this case be proven by time to have been working, wittingly or unwittingly, for the benefit of the Steel Corporation.

With vast supplies of ore in the South awaiting development, why should this section or any other part of America be willing to injure itself by voting for a reduction of the duty on ore simply to benefit the Pennsylvania and Reading railroads as owners of the Pennsylvania Steel Company and the Bethlehem Steel Company, which, judged by all indications, is being financially backed by Mr. Carnegie? On the strictly revenue-producing basis, a fairer basis of duty on iron ore would be 75 cents a ton instead of 25 cents. The Pennsylvania Steel Company, the Bethlehem Steel Company, and their allied interests, who are working for free ore for their own profit, regardless of the welfare of others, are injuring the whole iron and steel trade of the country by giving ground for the growing feeling that the duty on finished products should be reduced just as largely as the duty on the ore. They stand to lose far more in this way than they will gain by a reduction on ore, unless, perchance, their fight should result in forcing the Steel Corporation to buy them in order to control their ores. This would be a disaster to the whole country, for every section would feel its dire effects.

Mr. PAYNTER. Mr. President, I have said all I desire to say on this subject.

The VICE-PRESIDENT. The question is on agreeing to the substitute offered by the Senator from Missouri for the substitute offered by the Senator from Rhode Island.

Mr. KEAN. Let it be read.

The SECRETARY. After the figure "190," numbering the paragraph, strike out the remainder of the paragraph and insert:

Zinc in blocks or pigs; zinc, old and worn out, fit only to be manufactured; oxide of zinc in whatever form or combination; and all manufactures made wholly of zinc, or of which zinc is a material component, shall be admitted free of duty.

Mr. KEAN. I should like to ask the Senator from Missouri what is the object of the amendment?

Mr. STONE. The amendment speaks for itself.

Mr. ALDRICH. It seems to be perfectly clear and definite to my mind.

Mr. KEAN. I supposed it was for no other purpose than to try to put a duty on zinc ore.

Mr. STONE. Mr. President, zinc ore under existing law is on the free list. The House bill, known as the "Payne bill," fixed a duty on the zinc content of ore at 1 cent per pound. The amendment proposed by the Finance Committee provides for a graduated scale. If the amendment I offer should be agreed to, it would leave zinc ore still on the free list, and would in addition send the chief manufactures of zinc to the free list also, to keep company with the ore.

Mr. President, since this question has been under consideration by the committees of the two Houses there have been some powerful interests at work here to keep zinc ore on the free list. What is commonly known as the "zinc trust," located

in New Jersey, has been very persistent in the advocacy of free ore, and others have joined in that contention. I wish now to put these interests, and those who agree with them, to the test. I propose to leave zinc ore on the free list if the chief products of zinc shall also be placed on the free list. Are you willing to do that? If so, then vote for my amendment. Why should not that be done?

Mr. President, zinc mining represents a very large investment of both capital and labor. Moreover, the business of zinc mining is precarious; it involves more of chance as an investment than does the business of zinc manufacturing. It costs a large amount to prospect, to drill, to sink shafts, and to operate mines. The element of chance is always present, for there is always a probability of a quick exhaustion of the mine even after its development. And then the number of men employed as miners is very large, running into many thousands, and the perils of this class of labor are too well known to be elaborated. Whenever a miner goes down a shaft to do his day's work he takes his life in his hands, and the repeated disasters resulting in the loss of life and limb too well illustrate the hazardous character of this employment. The risk to investment in manufacturing is less, and the risk of life and limb to those employed in manufacturing is less. You could not run your zinc mills if there were no miners. Why should the mill be given a preference over the mine? If those who purchase and utilize the products of the mines want free ore I am willing that they shall have it on condition that the products of the mills shall be put upon an equal footing with the products of the mines.

Mr. KEAN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from New Jersey?

Mr. STONE. Certainly.

Mr. KEAN. I merely want to ask the Senator from Missouri if they do not have free zinc at the present time?

Mr. STONE. If the Senator from New Jersey is asking for information, if he does not know, I will inform him that under the present law zinc ore comes in free of duty.

Mr. KEAN. And has anyone suffered by reason of it?

Mr. STONE. There are many who think they have suffered by reason of it.

Mr. KEAN. But has the Senator been able to find anyone who has suffered by it?

Mr. STONE. I have found many who say they have.

Mr. HUGHES. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Colorado?

Mr. STONE. In a moment; as soon as the Senator from New Jersey has completed his inquiry.

Mr. KEAN. I only wanted to say to the Senator, as representing a State that produces more zinc ore than any other State, that we have never suffered from foreign importations, nor are we in favor at the present time of a duty on zinc ore. We have never had any suffering because of the importation of zinc into this country, because the country at the present time does not produce sufficient to meet the demand.

Mr. STONE. Mr. President, I do not care now to discuss the question suggested by the Senator from New Jersey. That would be foreign to my present purpose. If my amendment is disagreed to, I may then have something to say about the supply and consumption of zinc in this country. I can better do that when I discuss the amendment proposed by the Finance Committee fixing a duty on zinc ore, which will come up if my proposition is voted down. What I am now striving to do is to get free zinc manufactures as well as free zinc ore for the benefit of American consumers.

Mr. KEAN. I am perfectly willing that the amendment of the Senator from Missouri shall be disposed of at any moment.

Mr. STONE. Very well; so am I. And so, Mr. President, I close by saying that if zinc ore is to be kept on the free list at the behest of this great New Jersey concern—aye, if it is desired to have the product of the Missouri zinc miner free, I will consent if you will also make free the products of your New Jersey mills. I am willing; are you? I am ready to vote.

Mr. BURTON. Mr. President, I desire to present an amendment.

Mr. KEAN. I suggest to the Senator from Ohio that we might as well dispose of the amendment of the Senator from Missouri.

Mr. BURTON. I merely wish to have it stated.

The VICE-PRESIDENT. Is it an amendment to the amendment of the Senator from Missouri?

Mr. BURTON. It is not. I ask that it be stated so that it may be understood.

The VICE-PRESIDENT. Without objection, the amendment proposed by the Senator from Ohio will be stated.

The SECRETARY. It is proposed to strike out the whole of paragraph 190.

The VICE-PRESIDENT. Of course the paragraph must be perfected before a motion to strike out is in order. The question is on agreeing to the substitute offered by the Senator from Missouri [Mr. STONE] to the substitute offered by the Senator from Rhode Island [Mr. ALDRICH].

Mr. ALDRICH. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLINT (when his name was called). I again announce my pair with the senior Senator from Texas [Mr. CULBERSON] and the transfer of that pair to the senior Senator from New York [Mr. DEWEY]. I vote "nay."

The roll call was concluded.

Mr. GAMBLE (after having voted in the negative). I voted "nay," but there seems to be some misunderstanding about my pair with the junior Senator from Indiana [Mr. SHIVELY]. I will withdraw my vote. It was my understanding that the pair terminated this morning.

Mr. MONEY. My colleague [Mr. McLAURIN] is absent and is paired with the junior Senator from Michigan [Mr. SMITH]. If my colleague were present, he would vote "yea."

Mr. DILLINGHAM (after having voted in the negative). I inquire if the senior Senator from South Carolina [Mr. TILLMAN] has voted.

The VICE-PRESIDENT. The senior Senator from South Carolina has not voted.

Mr. DILLINGHAM. Then I will withdraw my vote, having a general pair with that Senator.

The result was announced—yeas 16, nays 49, as follows:

YEAS—16.

Bacon	Davis	Money	Simmons
Chamberlain	Fletcher	Overman	Smith, S. C.
Clay	Foster	Owen	Stone
Daniel	Martin	Paynter	Taliaferro

NAYS—49.

Aldrich	Clapp	Gallinger	Page
Borah	Clark, Wyo.	Guggenheim	Perkins
Bourne	Crane	Heyburn	Piles
Brandegee	Crawford	Hughes	Root
Briggs	Cummins	Johnson, N. Dak.	Scott
Bristow	Curtis	Jones	Smoot
Brown	Dick	Kean	Sutherland
Bulkeley	Dixon	Lodge	Warner
Burkett	Dolliver	McCumber	Warren
Burnham	du Pont	McEnery	Wetmore
Burrows	Elkins	Nelson	
Burton	Flint	Nixon	
Carter	Frye	Oliver	

NOT VOTING—26.

Bailey	Depew	La Follette	Smith, Md.
Bankhead	Dillingham	McLaurin	Smith, Mich.
Beveridge	Frazier	Newlands	Stephenson
Bradley	Gamble	Penrose	Taylor
Clarke, Ark.	Gore	Rayner	Tillman
Culbertson	Hale	Richardson	
Cullom	Johnston, Ala.	Shively	

So Mr. STONE's amendment to the amendment was rejected.

The VICE-PRESIDENT. The question is on agreeing to the substitute offered by the Senator from Rhode Island.

Mr. CURTIS. I should like to have read at this time a resolution of the legislature of the State of Kansas on this subject.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

House concurrent resolution 25 relating to tariff on zinc ores—Westcott.
Resolved by the house of representatives of Kansas (the senate concurring therein):

Whereas a large amount of the spelter manufactured in the United States is produced from ores mined in the State of Kansas; and

Whereas no zinc ore was imported prior to the year 1905, and during the last four years over 300,000 tons of Mexican zinc ores have been imported, which ores are produced by peon labor at one-third the cost of producing ores in the State of Kansas; and

Whereas the result of said importations of foreign ores is the curtailment of development and operation of zinc mines in the State of Kansas, and has recently resulted in the material reduction of wages, throwing out of employment a large number of wage-earners and the closing of many zinc mines in this State; and

Whereas no tariff, up to the present time, has been asked on zinc ores, owing to the fact that no foreign ores have been imported until recently; and

Whereas for the last forty years lead ore has been subject to an adequate tariff duty, the result of which is that the State of Kansas is to-day one of the largest lead-producing States in the Union, and since the cost of producing lead ore and zinc ore in the State of Kansas is the same: Now therefore be it

Resolved by the house of representatives (the senate concurring therein), That we favor a just and equitable import duty on all zinc ores, and that we request our Senators in the Senate of the United States and our Members of Congress to work and vote for such legislation as will save this important industry from destruction and produce a substantial revenue to the Government.

The above concurrent resolution was offered in the house, rules suspended, emergency declared, read second time, and adopted February 11, 1909. Message to senate read first time, rules suspended, emergency declared, read second time, and adopted February 11, 1909.

J. N. DOLLEY,
Speaker of House.

Attest:
W. T. BECK,
Chief Clerk of House.

W. J. FITZGERALD,
President of Senate.

Attest:
Z. E. WYANT,
Secretary of Senate.

Mr. SCOTT. I desire to have read a very short communication from the president of one of the largest foundries in this country, who had a contract to furnish the foundry work of the Pennsylvania Railroad Company in their effort to get into New York City.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

(Copy of telegram.)

CHICAGO, ILL., April 14, 1909.

WHEELING MOLD AND FOUNDRY COMPANY,
Wheeling, W. Va.:

If proposed tariff on zinc ores, hitherto admitted free of duty, is passed, it will make it impossible for us to operate intended plant. Are therefore obliged to ask that you cancel our contract for construction material.

MINERAL POINT ZINC CO.

WHEELING MOLD AND FOUNDRY COMPANY,
Wheeling, W. Va., April 15, 1909.

Hon. N. B. SCOTT,
United States Senate, Washington, D. C.

DEAR SIR: Inclosed please find copy of telegram received to-day, which is self-explanatory.

I will not go into the merits of tariff or free trade. That is too big a subject, but I will say that unless you have positive proof that a whole lot of good can be accomplished by changing the tariff I think it is a great mistake to agitate the subject.

This country, as far as I can see, has been, on an average, about as prosperous as any other in the world under the present tariff. It is, of course, all right to correct a real evil, but I do not see any use in disturbing things just for the sake of a change, especially when the first effect of such a change is from bad to worse usually.

Very respectfully, yours,

C. E. BLUE.

Mr. SCOTT. Without reading, I ask that the following letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WHEELING CORRUGATING COMPANY,
Wheeling, W. Va., April 24, 1909.

Hon. N. B. SCOTT,
Washington, D. C.

DEAR SENATOR: For our annual production of about 50,000 tons of galvanized sheets, galvanized roofings, and galvanized household ware we require 6,000 to 8,000 tons of spelter (zinc), or about 3 per cent to 4 per cent of all the zinc smelted in this country; and understanding that the Payne bill as it now stands provides for a duty of 1 cent per pound on the zinc contents of zinc ores, we ask that you use your influence to have these ores admitted free, or, at the most, with not more than one-fourth cent per pound tariff.

If the 1-cent rate becomes effective, it will be very hard on us, for under normal business conditions this country can not, so we understand and believe, produce enough ore to meet the demand for spelter, and, therefore, the importation of foreign ores is absolutely necessary, and it follows that the price of spelter will be very high, working a double hardship on us through having to pay a higher rate for spelter and having a lower rate fixed on galvanized sheets which are coated with it.

If a 1-cent per pound tax is levied on the zinc contents of foreign ores, it will probably mean an increase of about \$25 per ton in the price of spelter, and this would make an increased cost on galvanized sheets of \$4 to \$5 per ton, and on galvanized ware, such as pails, tubs, and similar household articles, of \$6 to \$9 per ton.

We believe in the protection of American labor, but a duty of 1 cent per pound on the zinc contents of zinc ores will protect labor beyond all reasonable bounds, and back of this movement for this much of a duty are the mine owners, who own the zinc-bearing ground and charge all the way from 20 per cent to 25 per cent royalty on all ores taken from it. It is this outrageous tax levied by the mine owners that is working such a hardship on the actual miners, and it is the mine owners, not the miners, who will get most of the benefit if this proposed duty is made effective; but irrespective of who may receive the benefit of such an unnecessarily high duty, there is no doubt but what we will be very seriously injured. Therefore, if you can consistently use your influence in our behalf, it will be very much appreciated. We are to-day writing to Senator ELKINS and Mr. HUBBARD upon the same subject.

Because a large part of the spelter we use is consumed at our Martins Ferry (Ohio) works, we think it quite likely that the Senators from Ohio may feel disposed to work with you toward permitting foreign ores to be brought in free, or at the most with a duty of not more than one-fourth cent per pound on the zinc contents of zinc ores levied against them.

Very truly, yours,

WHEELING CORRUGATING COMPANY,
ALEX. GLASS, Secretary.

Mr. BURTON. Mr. President, it is hardly possible to frame a tariff act which will be entirely satisfactory to a majority or even to any of those who support it. Such a measure must include so great a variety of interests and of items that it must

necessarily, to a considerable degree, be the result of compromise.

In my own judgment, the most objectionable feature which is likely to appear in the pending bill is the relation between raw materials and the finished product. Every country—at any rate, every European country—of advanced economic development has shown a general tendency toward freer raw material and, for the most part, to lower duties on food products and the elementary materials of life. For instance, seventy years ago there was a duty on wheat, or corn, as they call it in Great Britain, which was adjusted according to the price; it might reach a maximum of 77 cents per bushel. There was a similar duty on other kinds of grain. These duties have all been abolished.

There was also a duty on almost every variety of ore. But the duties on ores have not only been abandoned in England, but in France and Germany, so that zinc ore, lead ore, iron ore, and other like materials for manufacture all enter free of duty.

It should be stated also that in those countries, as compared with our own, there is a scarcity of these articles, a fact which affords some arguments for and some arguments against a duty here, though it certainly should be said that with the great abundance in our own country there is not the same basis for a protective duty on these ores as would be afforded by the conditions in Germany and France, or even in England.

I desire to state briefly some illustrations of the relation between raw and finished material in the pending bill. The duty of 1½ cents on lead ore is figured at 78.8 per cent. The duty on white lead is about 50 per cent. On pig lead and other less advanced forms it is somewhat less than that. So here the duty on the raw ore is twice as great as the average duty on the finished product.

This proposed duty furnishes a more serious incongruity than that, for if the duty proposed in this paragraph is adopted, the ad valorem rate of duty on zinc ore will approximate 84 per cent, while the duty on the spelter, or pig zinc, will be slightly in excess of 20 per cent. Such a difference is not only an incongruity; it is an absurdity; because with every improved process by manufacture there is an increment of labor; an increased investment of capital is required, and an additional duty is demanded. That is the general rule running through this tariff bill and through every other tariff bill which has stood the test.

I do not deny that there should in some cases be duties on raw materials; that those which exist should be continued at lesser or greater rates; and that where a valid reason exists, even in case one has not already been imposed, one might be imposed. This statement, however, should be coupled with another, to the effect that the whole tendency in the most rational tariff legislation has been toward the removal of duties on raw materials.

Whatever may be the general principle, there is no justification whatever for a duty on zinc ore. Why is it needed? I want to give a few facts and figures. In the year 1900 the average price of ore at the Joplin mines was \$26.50 per ton. The average price in 1907 was \$44.36 a ton. Here was an increase in value in seven years of 67 per cent, or approximately from \$26 to \$44.

In 1897, when the Dingley bill was passed, the price at Joplin was \$22.28. In 1894 it was \$13.60. In thirteen years the price as compared with 1894 increased from \$13.60 to \$44.36, or to more than three times as much. Under these circumstances what need is there of any duty?

What is the reason for this increase in price? It is because of the healthy development of the industry of smelting zinc into spelter and into zinc sheets, and the very large use of these zinc products for brass, which requires about 16 per cent of the zinc made in the country; for galvanizing iron and steel, which requires about 65 per cent; and for zinc sheets, requiring about 13 per cent.

The industry of manufacturing spelter is protected by a duty of 1½ cents for the zinc spelter or pig zinc, and 2 cents per pound for the sheet zinc. The price of the spelter has been slightly higher than that in the foreign market, usually about one-half of a cent per pound, thereby showing very conclusively that there has been no trust or combination in this business, because the producers have not taken advantage of the duty of 1½ cents in the price which they have charged.

It will be noticed that the production of spelter has increased altogether out of proportion to the increase in zinc ore. Zinc ore in the Joplin district was worth, in 1900, \$26.50, as I have said; and it is now worth \$44.36. The mining or production has increased from 248,000 tons to 286,000 tons. The spelter produced in the United States has increased from 123,000 tons to 249,000 tons. It will thus be noticed that the Joplin ore has

increased in production only 15 per cent, while the production of spelter has increased 102 per cent. One has increased not quite one-sixth—that is, the ore—while the spelter has more than doubled.

This explains the increase in price. The manufacturers of the spelter have found it difficult, if not impossible, to obtain a sufficient supply in this country. While their production has doubled, their prices have increased only 35.8 per cent, as against an increase of 67 per cent in the price of the ore. That made it necessary to obtain sources of ore from other States or countries.

It is true this amendment differs somewhat from the House bill in the lower grades up to 25 per cent. There is a lower duty on the zinc contents, but that means nothing to the smelting trade. It may mean something to the manufacturer of zinc oxide, but in the manufacture of spelter anything under 20 per cent is mere dust; it is not available for the manufacture of zinc, and no ore under about 30 per cent can be profitably utilized for the manufacture of zinc spelter.

It has been necessary to go further afield, to go to Mexico and to other places, to obtain supplies of this ore. The manufacturers of zinc have not gone there because they desired to. Why? The Joplin or Missouri ore contains about 60 per cent of pure zinc; the Mexican ore only 30 to 35 per cent. That means that the cost is nearly twice as great in the smelting of the ore into the zinc. It means, in the next place, as against the whole proposition of imported Mexican ore, that they must pay \$6.50 a ton for bringing in the ore from Mexico. It would seem that this alone was protection enough for domestic producers, the cost of freight on 3 tons or more of ore from Mexico amounting to \$19.50.

So notwithstanding this rising market, in which zinc ore has increased from \$13.60 in 1894 to \$44.36 in 1907, they are not able to obtain sufficient for the smelters in the United States, and the owners of smelters have been forced to go outside. They have built up this business; they have increased the demand; and now what is the proposition pending here before you? Because these smelters have increased the production of zinc ore, because by their industry they have raised the price threefold, they must be fined for what they have accomplished by the imposition of a duty which will make their business not only much less prosperous, but perhaps absolutely unprofitable.

Mr. President, I protest against this. If it was an ore, or grain, or any raw product that was going down in price, if it was an article that merely held its own in price, or where the cost of labor had greatly increased, there might be some justification for putting on a duty; but when the price has increased so largely contemporaneously with an insufficient supply there is no justification whatever for placing this ore on the dutiable list.

Mr. DIXON. Mr. President—

The PRESIDING OFFICER (Mr. Root in the chair). Does the Senator from Ohio yield to the Senator from Montana?

Mr. BURTON. Certainly.

Mr. DIXON. The Senator from Ohio states that the freight on the Mexican ore of \$6 a ton ought to be protection enough. Applying the same rule, would not the freight on the Mexican spelter be protection enough for the spelter in this country?

Mr. BURTON. In the first place the spelter weighs only a third as much as the ore, and thus it could be transported much more readily; but I take it the Senator from Montana does not want to have the industry transferred to Mexico.

Mr. DIXON. The Senator from Ohio is perfectly right. Neither do I want the industry of mining zinc ore transferred to Mexico. I think that one position is just as tenable as the other.

Mr. BURTON. Mr. President, I have already shown—and I think the Senator from Montana will readily agree with me—that it is no desire to go to Mexico that has caused this importation, but it is because of the scarcity of the local supply; and the only effect of imposing this duty will be to raise the price to unusual figures.

What will be some of the results of this? First of all, there is a liability that this industry will be transferred to other countries, a liability that the ore of Mexico and of other countries may be taken to Belgium, and there made into spelter, and brought into the United States; for, when you raise the price of this ore beyond a certain figure, it is no longer profitable to reduce it in the United States.

But there is another fact in this connection which, it seems to me, is readily demonstrable—the very persons advocating this duty would find their object destroyed by its imposition. This is a great country of ours; we have metallic products, and when any one article reaches an unreasonable price, substitutes for it can be found. There are substitutes for sheet iron and for gal-

vanized iron, such as the black iron, the terneplate; and if these prices go a little higher the demand for galvanized iron and the other products of which zinc is a part will fall off and other articles will take their place. Glass has been used as a substitute in certain cases. The imposition of this duty would mean that this article would rise in price out of all proportion to any other article in the metallic schedule; and, as it rises in price, and other articles do not show the same increase, the result will be that other metallic substances will be used in place of zinc and its price will fall. I make the prediction with entire confidence that if these prices continue rising—and they are increasing very rapidly now—the increased manufacture of zinc and the increased demand for it, which have both been characteristic of the trade in the last five or ten years, will experience a change; so that, instead of its being on an ascending plane, it will go on a descending plane.

There are some other things about the cost of zinc in this Missouri locality. I have received many letters from members of investing firms from my own State asking me to vote for this duty on zinc ore. What is the reason? An unusual number of mines, not all of them profitable for working, are being exploited by brokers and others. Again, an unduly high royalty is paid to the farmers or owners of the ground. It is in the first instance about 15 per cent of the value of the gross product.

Then, these leases, in which 15 per cent is the amount to be paid to the owner, have been frequently sublet. Each sublessee gets some added price—5 per cent more, then another 5 per cent—so that in some cases the price obtained by the owner of the fee is 25 per cent of the total gross value of the ore. I think I may challenge the citation of a case in this country where any mineral is mined and the percentage given to the owner of the ground is so large.

Mr. GUGGENHEIM. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Colorado?

Mr. BURTON. I do.

Mr. GUGGENHEIM. I am obliged to challenge the statement of the Senator from Ohio so far as the Rocky Mountain section is concerned.

I wish to remind the Senator that the conditions of which he speaks refer not to Colorado, but probably to Missouri. We do not pay such royalties in the Rocky Mountain mining region. Therefore the Senator's remarks should be confined to Missouri, and possibly to Kansas, in regard to the royalties.

Mr. BURTON. It is a very lean ore you have out there in Colorado, is it not?

Mr. GUGGENHEIM. We have a lean ore; and it is for that reason we require protection.

Mr. BURTON. Is it not true that the makers, both of spelter and oxide of zinc, have exploited some of those mines in the Senator's locality and given up trying to use them? I do not want to say anything derogatory to mines in the Senator's State, but I ask him if that is not true?

Mr. GUGGENHEIM. I will reply to that by saying that last year Colorado produced 25,000 tons of spelter, and that it is the second largest producer of zinc ore in this country. Therefore the Senator must be mistaken in his statement.

Mr. BURTON. Will the Senator not state whether they did not bring some of that ore in from outside the State?

Mr. GUGGENHEIM. There were no zinc oxide or sulphide ores brought from Mexico to Colorado. We are not dependent in Colorado on Mexican ores.

Mr. BURTON. It was brought in from States of the Union other than Colorado?

Mr. GUGGENHEIM. No. Most of the ore smelted in Colorado comes from Colorado mines; that is to say, zinc mines. The zinc manufactured is mined and mostly smelted in the State of Colorado.

Mr. BURTON. Do I understand the Senator from Colorado to say that 25,000 tons of ordinary zinc spelter were produced in his State, or were produced last year?

Mr. GUGGENHEIM. According to the statement of the Geological Survey for the year 1908, Colorado produced 24,885 tons of spelter, or about 150,000 tons of ore.

Mr. BURTON. Can the Senator state in what town that smelting is done?

Mr. GUGGENHEIM. Some of it is done in Canyon City and some in Pueblo, Colo.

Mr. BURTON. I must say to the Senator that I have not found those figures in any other work pertaining to the subject. I have the utmost respect for the Geological Survey, and they may be correct; but I have not found those figures elsewhere.

There is another phase of this question, to which I wish to call attention. This zinc ore is used very largely for galvanizing. There is a very large industry in the State of Ohio en-

gaged in the manufacture of galvanized sheet iron and sheet steel. I am receiving telegrams from those people to the effect that this rise in the cost of spelter, which has already occurred, increases very greatly the cost of galvanizing steel and iron sheets.

The average quantity of zinc used in galvanizing a ton of sheet steel or sheet iron is 325 pounds. This spelter has increased of late about \$10 a ton, which means an increase per ton of their material, as they estimate, of nearly \$2 a ton. There is a differential in paragraph 126 of this bill between ungalvanized and galvanized of two-tenths of a cent a pound. It was no doubt intended that a large share of that two-tenths of a cent would provide for additional labor; but if this duty is imposed the price of zinc will so increase that the actual difference in the material will be more than two-tenths of a cent a pound. So I must ask, if any duty is imposed, that the schedule with reference to galvanized iron shall be changed to meet the changed conditions.

Mr. President, the principle of protection does not demand that this duty be imposed. It is not a languishing industry; it is not an industry that requires a penny of duty to make it profitable and increasingly profitable in the years to come.

While its imposition will tend to destroy secondary industries which depend upon this for their raw material, the increase in price will also threaten not only a decrease in the quantity made, in the zinc that is smelted, and thus in the zinc ore which is taken from the mines, but the very decadence and almost destruction of the industry itself. I can hardly understand how those who are interested in zinc ore, who have certainly as profitable mining interests as any in the United States, the one that has shown the greatest increase in profits, should be coming here to Congress and asking for this absolutely unnecessary duty—a duty not only unnecessary to themselves, but hurtful to all the related industries. So I trust, Mr. President, that this paragraph will be stricken out of the bill, and that the law will be left as it is.

Mr. HEYBURN. Mr. President—

The PRESIDING OFFICER. The Chair lays before the Senate a message from the President of the United States, which will be read:

Mr. LODGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Gamble	Overman
Bacon	Clay	Gore	Page
Bailey	Crane	Guggenheim	Paynter
Bankhead	Crawford	Heyburn	Perkins
Borah	Culberson	Hughes	Piles
Bourne	Cullom	Johnson, N. Dak.	Rayner
Brandegee	Cummins	Johnston, Ala.	Root
Briggs	Curtis	Jones	Scott
Bristow	Daniel	Kean	Simmons
Brown	Davis	La Follette	Smith, Md.
Bulkeley	Dick	Lodge	Smith, S. C.
Burkett	Dillingham	McCumber	Smoot
Burnham	Dixon	McLaurin	Sutherland
Burrows	Dolliver	Martin	Tallaferro
Burton	du Pont	Money	Tillman
Carter	Elkins	Nelson	Warner
Chamberlain	Flint	Newlands	Wetmore
Clapp	Gallinger	Nixon	

The PRESIDING OFFICER. Seventy-one Senators have answered to their names. A quorum of the Senate is present. The Secretary will read the message from the President of the United States.

The Secretary read as follows:

To the Senate and House of Representatives:

It is the constitutional duty of the President from time to time to recommend to the consideration of Congress such measures as he shall judge necessary and expedient. In my inaugural address, immediately preceding this present extraordinary session of Congress, I invited attention to the necessity for a revision of the tariff at this session, and stated the principles upon which I thought the revision should be effected. I referred to the then rapidly increasing deficit and pointed out the obligation on the part of the framers of the tariff bill to arrange the duty so as to secure an adequate income, and suggested that if it was not possible to do so by import duties, new kinds of taxation must be adopted, and among them I recommended a graduated inheritance tax as correct in principle and as certain and easy of collection. The House of Representatives has adopted the suggestion, and has provided in the bill it passed for the collection of such a tax. In the Senate the action of its Finance Committee and the course of the debate indicate that it may not agree to this provision, and it is now proposed to make up the deficit by the imposition of a general income tax, in form and substance of almost exactly the same character as that which in the case of *Pollock v. Farmers' Loan and Trust*

Company (157 U. S., 429) was held by the Supreme Court to be a direct tax, and therefore not within the power of the Federal Government to impose unless apportioned among the several States according to population. This new proposal, which I did not discuss in my inaugural address or in my message at the opening of the present session, makes it appropriate for me to submit to the Congress certain additional recommendations.

The decision of the Supreme Court in the income-tax cases deprived the National Government of a power which, by reason of previous decisions of the court, it was generally supposed that Government had. It is undoubtedly a power the National Government ought to have. It might be indispensable to the Nation's life in great crises. Although I have not considered a constitutional amendment as necessary to the exercise of certain phases of this power, a mature consideration has satisfied me that an amendment is the only proper course for its establishment to its full extent. I therefore recommend to the Congress that both Houses, by a two-thirds vote, shall propose an amendment to the Constitution conferring the power to levy an income tax upon the National Government without apportionment among the States in proportion to population.

This course is much to be preferred to the one proposed of reenacting a law once judicially declared to be unconstitutional. For the Congress to assume that the court will reverse itself, and to enact legislation on such an assumption, will not strengthen popular confidence in the stability of judicial construction of the Constitution. It is much wiser policy to accept the decision and remedy the defect by amendment in due and regular course.

Again, it is clear that by the enactment of the proposed law the Congress will not be bringing money into the Treasury to meet the present deficiency, but by putting on the statute book a law already there and never repealed will simply be suggesting to the executive officers of the Government their possible duty to invoke litigation. If the court should maintain its former view, no tax would be collected at all. If it should ultimately reverse itself, still no taxes would have been collected until after protracted delay.

It is said the difficulty and delay in securing the approval of three-fourths of the States will destroy all chance of adopting the amendment. Of course, no one can speak with certainty upon this point, but I have become convinced that a great majority of the people of this country are in favor of vesting the National Government with power to levy an income tax, and that they will secure the adoption of the amendment in the States, if proposed to them.

Second, the decision in the *Pollock* case left power in the National Government to levy an excise tax, which accomplishes the same purpose as a corporation income tax and is free from certain objections urged to the proposed income-tax measure.

I therefore recommend an amendment to the tariff bill imposing upon all corporations and joint stock companies for profit, except national banks (otherwise taxed), savings banks, and building and loan associations, an excise tax measured by 2 per cent on the net income of such corporations. This is an excise tax upon the privilege of doing business as an artificial entity and of freedom from a general partnership liability enjoyed by those who own the stock.

I am informed that a 2 per cent tax of this character would bring into the Treasury of the United States not less than \$25,000,000.

The decision of the Supreme Court in the case of *Spreckels Sugar Refining Company against McClain* (192 U. S., 397) seems clearly to establish the principle that such a tax as this is an excise tax upon privilege and not a direct tax on property, and is within the federal power without apportionment according to population. The tax on net income is preferable to one proportionate to a percentage of the gross receipts, because it is a tax upon success and not failure. It imposes a burden at the source of the income at a time when the corporation is well able to pay and when collection is easy.

Another merit of this tax is the federal supervision which must be exercised in order to make the law effective over the annual accounts and business transactions of all corporations. While the faculty of assuming a corporate form has been of the utmost utility in the business world, it is also true that substantially all of the abuses and all of the evils which have aroused the public to the necessity of reform were made possible by the use of this very faculty. If now, by a perfectly legitimate and effective system of taxation, we are incidentally able to possess the Government and the stockholders and the public of the knowledge of the real business transactions and the gains and profits of every corporation in the country, we have made a long step toward that supervisory control of corporations which may prevent a further abuse of power.

I recommend, then, first, the adoption of a joint resolution by two-thirds of both Houses, proposing to the States an amendment to the Constitution granting to the Federal Government the right to levy and collect an income tax without apportionment among the States according to population; and, second, the enactment, as part of the pending revenue measure, either as a substitute for, or in addition to, the inheritance tax, of an excise tax upon all corporations, measured by 2 per cent of their net income.

WM. H. TAFT.

THE WHITE HOUSE, June 16, 1909.

The PRESIDING OFFICER. Without objection, the message will be printed (S. Doc. No. 98) and referred to the Committee on Finance.

Mr. HEYBURN and Mr. GORE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho [Mr. HEYBURN] has the floor. He rose first, and has been recognized.

Mr. HEYBURN. I think I was recognized before the message was received.

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oklahoma?

Mr. HEYBURN. For what purpose?

Mr. GORE. I wish to object to the reference. I should like to make a suggestion.

Mr. HEYBURN. I yield for the Senator to make his objection.

Mr. GORE. I desire to make a motion, Mr. President. I inquire if the Senator from Idaho has yielded?

The PRESIDING OFFICER. The Senator has yielded.

Mr. GORE. Mr. President, as I understand, the Chair proposed—

Mr. HEYBURN. I did not yield for remarks accompanying the motion. I thought the Senator merely desired an opportunity to object. I have the floor for the purpose of discussing another matter.

Mr. GORE. Mr. President, I did not want the announcement made that the message was referred, because I desired—

Mr. ALDRICH. It has already been referred.

The PRESIDING OFFICER. The reference has already been made, and the Senator from Idaho has been recognized upon another subject.

Mr. GORE. I was trying to get the attention of the Chair.

Mr. BACON. Mr. President, if you will pardon me a suggestion, the question of reference of a measure of any kind is always in the control of the Senate. It is the custom to yield that to the Chair, subject, of course, to the right of the Senate to decide that matter. I submit to the Chair that the Senator from Oklahoma was in time, because the Chair did not put any question with reference to it and there was no opportunity to make any objection.

Mr. HEYBURN. Mr. President, I had asked for and obtained recognition, if I am not entirely mistaken, before the message from the President was received.

Mr. BACON. Very well.

Mr. HEYBURN. And I merely yielded the floor for the purpose of having the message received and read.

The PRESIDING OFFICER. The Chair is of the opinion that the question of reference may be considered open. The Senator from Idaho [Mr. HEYBURN] had the floor. He yielded for the reading of the message, and if the yielding of the Senator from Idaho gave room for the reference of the message by consent, it gave room also for a motion regarding the reference or for an objection. So the Chair does not think that the question ought to be considered closed by the rather peremptory treatment of the subject, which is customary, and which ordinarily is treated as being subject to being open for any objection or motion. The Chair will recognize the Senator from Oklahoma for the purpose of making an objection to the reference of the message or a motion in regard to it.

Mr. GORE. Then, I move that the President's message just read be referred to the Committee on Finance, with instructions to that committee to report, on or before Friday next, a joint resolution proposing an amendment to the Constitution of the United States authorizing the levy and collection of an income tax in accordance with this message.

Mr. HEYBURN. I retain the floor, Mr. President.

Mr. McLaurin. Is that debatable?

Mr. HEYBURN. If it is debatable, I have the floor.

Mr. McLaurin. I understand.

Mr. ALDRICH. I move to lay the amendment upon the table.

Mr. GORE. I wish to modify the motion by striking out "in accordance with this message."

Mr. ALDRICH. I move to lay the motion on the table.

The PRESIDING OFFICER. The Senator will modify his motion in accordance with his own wishes. The question then will be upon agreeing to the motion of the Senator from Rhode Island.

Mr. ALDRICH. To lay the motion for instructions upon the table.

Mr. LODGE. To lay the motion for instructions upon the table.

Mr. GORE. Mr. President—

Mr. LODGE. That is not debatable.

Mr. GORE. Under the motion to table I have no right to discuss it, but by unanimous consent—

Mr. LODGE. The motion is to refer to the Committee on Finance. The Senator from Oklahoma proposes to amend it by adding instructions. The motion of the Senator from Rhode Island is to lay the amendment on the table.

Mr. TILLMAN. I think the Senator from Massachusetts is in error there. There is no motion in regard to this message at all, but it is the action of the Chair in having under the ordinary course referred it to the committee without a motion.

Mr. ALDRICH. The Senator, I think, is mistaken in that. The suggestion was made that it be referred to the Committee on Finance.

Mr. TILLMAN. By whom?

Mr. ALDRICH. By the Chair.

Mr. TILLMAN. But the Chair can not make a motion.

Mr. ALDRICH. That is the motion.

Mr. MONEY. I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. ALDRICH. It goes there under the rule.

Mr. TILLMAN. But there is no motion.

Mr. MONEY. I understood that the Senator from Oklahoma had the floor to make a motion. He had a right to move, and he had a right to say what he pleased upon that subject; and who could take him off the floor by a motion to table? He had the floor. The motion to refer is not privileged. You can not take a Senator off the floor who has it by the recognition of the Chair—

Mr. HEYBURN. He had it by unanimous consent.

Mr. MONEY. Not by unanimous consent, but by the recognition of the Chair. You were on the floor for something else, as you stated yourself, and the Chair ruled you were not in order or did not have the floor because the matter of reference had not been concluded. The Chair then recognized the Senator from Oklahoma, who proceeded in his own right to make a motion to refer with instructions; and he has the right to say what he chooses on that subject, and can not be taken off the floor by some other Senator who wants to make a motion to table.

Mr. ALDRICH. The Senator from Oklahoma had taken his seat, and I was recognized in due course by the presiding officer and made the motion.

Mr. HEYBURN. I—

Mr. MONEY. I did not know that was the fact. I thought the Senator from Oklahoma was standing all the time—

Mr. ALDRICH. Oh, no.

Mr. MONEY (continuing). And waiting an opportunity to continue what he had to say. Of course if he had taken his seat and abandoned the floor, that is another question.

Mr. HEYBURN. I yielded the floor for a purpose that was expressed and limited. I had the floor before the message came into the Senate.

Mr. MONEY. I know you had.

Mr. HEYBURN. I yielded for the purpose of receiving it. I did not yield for the purpose of considering the question whether it should go to this committee or that committee, and all that has intervened since the reading of the message was concluded has been under a waiver on my part, as a matter of courtesy. I was proceeding to speak upon the question under consideration, which is not the message—

Mr. MONEY. The Chair has already ruled, as I understand, against the position of the Senator from Idaho; but whether he has or not, he certainly will rule that way when his attention is called to it, because, having the message here, the Senator can not resume the floor upon another question, and thus interrupt the proper reference of that message. He has no right to the floor until that is disposed of.

Mr. HEYBURN. The disposition of a message is not privileged. The receiving of a message is. I yielded to privileged business. I had not yielded to the question of the disposition of this message. That might involve a week's discussion; and having had the floor, I am entitled to retain it. I may yield

it within the rules of the Senate for a limited purpose, for a question, or for a more extended purpose. That is entirely—

The PRESIDING OFFICER. The Chair is of the opinion that the—

Mr. NELSON. I rise to a point of order.

The PRESIDING OFFICER. The Senator from Minnesota will state his point of order.

Mr. NELSON. I make this suggestion to the Senator from Rhode Island: A motion to lay this amendment on the table lays the whole proposition on the table. That is the general rule of parliamentary law.

Mr. KEAN. Not in the Senate.

Mr. NELSON. The only exception to the rule is found in Rule XVI:

Any amendment to a general appropriation bill may be laid on the table without prejudice to the bill.

This is not a general appropriation bill, and it does not come within the rule.

Mr. LODGE. If the Senator will excuse me, he is not quoting the rule which applies. It reads:

When an amendment proposed to any pending measure is laid on the table, it shall not carry with it, or prejudice, such measure.

"Any pending measure."

Mr. NELSON. This is a motion to refer.

Mr. LODGE. This is a pending measure.

The PRESIDING OFFICER. The Chair is of the opinion that since the Senator from Idaho yielded to permit the reading of the message of the President and the reference of the message to the appropriate committee, or other disposition of the message, it is no longer within his power so to limit the opportunity as to say whether or not the Senator from Oklahoma has the right to discuss the proposition for the reference of the message. The Chair, however, understood the Senator from Oklahoma, having offered his resolution, which was in the nature of an amendment of the proposition to refer the message of the President to the Finance Committee, to yield the floor. He refrained from supplementing his motion by any observations.

Thereupon the Senator from Rhode Island rose and moved to lay on the table the amendment offered by the Senator from Oklahoma. That motion having been made, the Chair is of the opinion that it must be voted on by the Senate without debate, and that if the Senate refuses to lay the motion of the Senator from Oklahoma on the table, the Senator will then have the right to discuss it at such length as he desires.

Mr. McLAURIN. I should like to hear the motion of the Senator from Oklahoma reported.

Mr. MONEY. Wait a moment.

The PRESIDING OFFICER. The Secretary will report the motion of the Senator from Oklahoma.

Mr. MONEY. One moment.

Mr. HEYBURN. I will inquire of the Chair as to the status of my right to the floor. Have I lost it? If so, when?

The PRESIDING OFFICER. The Senator from Idaho has the floor, subject to the disposition by the Senate of the message of the President which has been read.

Mr. HEYBURN. I will resume the floor when that is concluded.

The PRESIDING OFFICER. The Secretary will report the resolution offered by the Senator from Oklahoma.

The SECRETARY. That the Finance Committee be instructed—

Mr. MONEY. Mr. President, I have something to say, if you will permit me for a moment. I want to explain to the Senate and the Chair that I think the Chair has ruled correctly upon this matter throughout. I apologize to the Senator from Rhode Island, because I was not aware that the Senator from Oklahoma had yielded the floor. I did not see him sit down, and consequently I was under the mistake of supposing that he was still on the floor, with the intention of submitting some remarks on this subject.

The PRESIDING OFFICER. The Secretary will report the resolution.

The SECRETARY. The Senator from Oklahoma moves that the Finance Committee be instructed to report on or before Friday, June 18 next, an income-tax amendment in accordance with the recommendations in the message of the President.

Mr. GORE. Mr. President—

Mr. McLAURIN. I just want to say that, as I caught the motion of the Senator from Oklahoma—and that is the reason I called for the reading of the motion—his motion was to refer to the Committee on Finance, and with these instructions. I think the stenographer's notes will bear that out.

Mr. ALDRICH. Question!

Mr. GORE. The statement made by the Secretary does not quite state my motion.

Mr. ALDRICH. I insist upon the regular order, Mr. President.

Mr. GORE. I wish to reform my motion.

Mr. ALDRICH. That is not possible now.

Mr. BAILEY. I hope the Senator from Rhode Island will not object to that. I will not vote for this motion as it is worded, because if they are to report a constitutional amendment to the Senate I shall insist on giving Congress the power to graduate the income tax, and I think we will give Senators on the other side a little more than they bargain for when we get to that proposition. The Senator from Oklahoma, I am sure, agrees with me that if we are to have the necessity of a long and tedious constitutional amendment it shall be one that will not need to be amended for many years to come.

I hope the Senator from Rhode Island will not insist upon the technical rule which will prevent the reformation of the Senator's motion in accordance with the Senator's views.

The PRESIDING OFFICER. The Chair is of the opinion that while the Senator from Oklahoma is not now at liberty to vary in any respect the motion which he actually made, if the Secretary has failed to correctly record the motion which was made, the Senator from Oklahoma may correct it.

Mr. GORE. I withdraw it, and make it in this shape. In fact, the Secretary did not report it as I suggested it. The motion was to instruct the Finance Committee to report a joint resolution submitting a constitutional amendment. The Secretary did not read it in that way. I wish to submit the motion in this shape, that the Finance Committee shall be instructed to report, on or before Friday next, a joint resolution submitting a constitutional amendment authorizing the levy and collection of an income tax.

Mr. CLAPP. The Senator from Oklahoma will allow me to call his attention—

Mr. ALDRICH. I must insist upon the regular order.

Mr. CLAPP. I rise to a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. CLAPP. The point of order is that the Chair had already announced in pro forma manner that the message would be referred to the Finance Committee. The Senator from Oklahoma rose, and when he got the opportunity to make his motion, his first words were—they struck some of us with surprise, because we supposed he wanted to refer the message to some other committee—that he moved to refer it to the Committee on Finance, with instructions.

Mr. McLAURIN. That is correct.

Mr. CLAPP. That is not an amendment to anything. There was no proposition before the Senate to refer it to any committee.

Mr. ALDRICH. I am quite willing that the vote shall be taken upon the proposition now made by the Senator from Oklahoma.

The PRESIDING OFFICER. The Chair is of the opinion that the message of the President having been referred to the Finance Committee without objection—

Mr. GORE. It was not without objection.

The PRESIDING OFFICER. The Senator will suspend for a minute until the Chair has stated the matter fully. That has been, by common consent, regarded as open, for the purpose of an objection or a motion in respect to the reference of the message. Inasmuch as the Senator from Oklahoma does not object to the reference to the Finance Committee or propose any other reference, his motion must be regarded as a motion pure and simple to instruct the Finance Committee. The question is now upon the motion of the Senator from Rhode Island to lay on the table the motion of the Senator from Oklahoma.

Mr. GORE. I desire the yeas and nays.

The yeas and nays were ordered.

Mr. GORE. I wish it understood—

The Secretary proceeded to call the roll.

Mr. GAMBLE (when his name was called). I am temporarily paired with the junior Senator from Indiana [Mr. SHIVELY]. I transfer the pair to the senior Senator from New York [Mr. DEWEY]. I make this announcement for the day. I will vote. I vote "yea."

Mr. McLAURIN (when his name was called). I am paired on this vote with the junior Senator from Michigan [Mr. SMITH]. If he were present, I should vote "nay." I announce this pair for the day.

Mr. NEWLANDS (when his name was called). I am paired with the senior Senator from Pennsylvania [Mr. PENROSE]. I transfer the pair to the senior Senator from Oklahoma [Mr. OWEN], and will vote. I vote "nay."

The roll call having been concluded, the result was announced—yeas 51, nays 25, as follows:

YEAS—51.

Aldrich	Clark, Wyo.	Frye	Nixon
Borah	Crane	Gallinger	Oliver
Brandeggee	Crawford	Gamble	Page
Briggs	Cullom	Guggenheim	Perkins
Bristow	Cummins	Hale	Piles
Brown	Curtis	Heyburn	Root
Bulkeley	Dick	Johnson, N. Dak.	Scott
Burkett	Dillingham	Jones	Smoot
Burnham	Dixon	Kean	Sutherland
Burrows	Dolliver	La Follette	Warner
Burton	du Pont	Lodge	Warren
Carter	Elkins	McCumber	Wetmore
Clapp	Flint	Nelson	

NAYS—25.

Bacon	Davis	Martin	Smith, S. C.
Bailey	Fletcher	Money	Stone
Bankhead	Foster	Newlands	Tallaferro
Chamberlain	Gore	Overman	Tillman
Clay	Hughes	Paynter	
Culberson	Johnston, Ala.	Rayner	
Daniel	McEnery	Simmons	

NOT VOTING—15.

Beveridge	Depew	Penrose	Smith, Mich.
Bourne	Frazier	Richardson	Stephenson
Bradley	McLaurin	Shively	Taylor
Clarke, Ark.	Owen	Smith, Md.	

So the motion to table was agreed to.

The PRESIDING OFFICER. The message stands referred as upon the original declaration, and the Senator from Idaho is recognized.

Mr. BEVERIDGE subsequently said: Mr. President, I was necessarily absent when the vote was taken on the motion of the Senator from Oklahoma [Mr. GORE]. If I had been present, I should have voted "yea" upon the motion of the Senator from Rhode Island to lay that motion on the table.

Mr. HEYBURN. Mr. President—

Mr. BROWN. Will the Senator yield to me for a moment?

Mr. HEYBURN. I will yield for a moment, but for nothing that will displace the pending business.

Mr. BROWN. Out of order I offer a joint resolution.

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Nebraska?

Mr. HEYBURN. I yield for the purpose of allowing the Senator to introduce a joint resolution.

The PRESIDING OFFICER. Out of order the Secretary will—

Mr. HEYBURN. Not for any comment.

Mr. BROWN. No.

Mr. BACON. Under the rule, the Senator can not yield for that purpose.

Mr. ALDRICH. That is true.

Mr. HEYBURN. I think that is true, but I did not care to suggest it.

The PRESIDING OFFICER. Except by unanimous consent—

Mr. BROWN. I ask unanimous consent.

Mr. BACON. The rule is that the Chair shall enforce it without any point of order being raised.

Mr. BROWN. I ask unanimous consent that the joint resolution—

Mr. HEYBURN. It can not be given.

The PRESIDING OFFICER. The Chair is of the opinion that it can not be done until the Senator from Idaho has yielded the floor and the Senator from Nebraska proceeds in his own right.

Mr. HEYBURN. Mr. President, I do not suppose there ever was an occasion in the history of the Senate where the conditions that confronted us and the questions to be determined changed so radically between the time that a Senator was recognized and the time that he came back five minutes later upon the floor. We were engaged in considering how we might raise revenue to conduct the affairs of this Government and, incidentally, protect the American people in the field of competition against foreigners.

Since I first addressed the Chair, about ten minutes ago, it would seem that one of these great questions was pretty nearly eliminated from consideration. When the Finance Committee first reported this bill, they reported correctly, in my judgment, that it would provide the revenue necessary to conduct the affairs of the Government. If that is true, and I believe it is true, where is the necessity of proposing these statutes providing for a tax upon the incomes of the people or a tax upon the gross earnings of corporations, or any other kind of a tax, in addition to those proposed in the bill, which already provides a sufficient fund for this Government?

I have never known such a revolution to occur in proposed legislation in the few minutes that have elapsed. I feel as though the Republican party were brought up in this moment face to face with the question whether or not they shall maintain the old protective tariff policy or whether they shall step aside and seek to carry out the vagaries of those whose idea of government is to get what the other man has and to keep all they themselves have. In other words, to make the statutes that are intended to affect the civil rights of the citizens penal statutes. In other words, to see whether or not you can not devise some means here to meet the demand not of those who think and who benefit by thinking, but of the great mass whose cry goes up at the dictate of a local leader. What occasion can there be, if the Government is provided with sufficient revenue under this law, of enacting some additional law that will provide a larger sum of money? What are we going to do with it? Has some one some covert idea of a new plan of government, by which we are going to branch out and spend more money than is required under the present system? If so, it should be disclosed.

What would you do with the revenue that was received from an income tax when you already have money enough in the Treasury to meet the Government's necessities? There is in my untamed bosom an idea. I would like to see an income tax levied upon certain things and for certain purposes and within certain limitations, but it does not emanate from the conscientious idea that I have of the duty which confronts me. We were not called together here for the purpose of getting even with somebody or punishing somebody. We were called together for the purpose of revising the revenue law that provides the money for the expenses of the Government, and in doing that the man who would allow the spirit of resentment or the spirit of opposition to interest to enter into it—well, in my judgment, he would have forgotten the duty that rested upon him.

I rose to discuss the zinc item in this bill, and in doing so it was my purpose to discuss it, first, from the standpoint of the revenue which we are here to provide, and, second, in its relation to those interested in that enterprise; and I will leave further consideration of the suggestions contained in the message for a future occasion. It may be that we will not succeed in passing any bill that will provide enough revenue through our custom-houses, and then we would be compelled to go out and resort to some other kind of taxation. But the founders of the Government never intended that that should be true. I was proposing to discuss this question along the lines of first intention on the part of the founders of the Government; and I will not enter upon a discussion of the principle of protection at this time, because we have already discussed that question.

Mr. President, it is my purpose to offer an amendment to the substitute offered by the Senator from Rhode Island, my amendment to provide in the beginning of the paragraph—

Zinc contents contained in zinc-bearing ores of all kinds, 1 cent per pound.

I intend, if I can, to have the attention of those who will vote upon this question. I will not spend one minute upon this floor in order to make a record of what I say. I suggest the absence of a quorum.

The VICE-PRESIDENT. The Senator from Idaho suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clay	Frye	Page
Bacon	Crane	Gallinger	Paynter
Bailey	Crawford	Gamble	Rayner
Bankhead	Culberson	Gore	Root
Borah	Cullom	Guggenheim	Scott
Brandeggee	Cummins	Heyburn	Simmons
Briggs	Curtis	Johnson, N. Dak.	Smith, Md.
Brown	Daniel	Johnston, Ala.	Smith, S. C.
Bulkeley	Davis	Jones	Smoot
Burkett	Dick	Kean	Stone
Burnham	Dixon	La Follette	Sutherland
Burrows	Dolliver	McCumber	Tallaferro
Burton	du Pont	McEnery	Tillman
Carter	Elkins	McLaurin	Warner
Chamberlain	Fletcher	Money	Warren
Clapp	Flint	Oliver	
Clark, Wyo.	Foster	Overman	

The VICE-PRESIDENT. Sixty-six Senators have answered to the roll call. A quorum of the Senate is present. The Senator from Idaho will proceed.

Mr. HEYBURN. Mr. President, if I can have the attention of the Senate, the item of zinc in ore is as important as that of the cotton schedule, the wool schedule, the lumber schedule, or of any other schedule; and those who produce it and are interested in it are as large in numbers as those interested in other schedules.

The committee reported a duty of 1 cent per pound on the zinc contents of ore. We had a right to believe that the committee would stand for that report, first, because it was the report of the committee, and as well because it was just.

Mr. ALDRICH. Mr. President, in justice to the committee, I will have to say that the committee have on several occasions stated that they had not arrived at any conclusion about the duty on zinc ore. They made no report upon the subject until this one.

Mr. HEYBURN. Paragraph 190 in the bill provides for a duty on zinc ore.

Mr. ALDRICH. That is the House provision.

Mr. HEYBURN. It was reported here by the Senate committee, and it is figured out with considerable detail and care in the book of imports that accompanies it.

Mr. ALDRICH. Technically, of course, the Senator from Idaho is correct to that extent; but I think there is no Member of this body who does not know that the Committee on Finance have been struggling with this question ever since the bill was reported.

Mr. HEYBURN. I know it.

Mr. ALDRICH. It is the most difficult problem in the whole bill, and if we have satisfied any one Senator outside of the committee I shall be more or less disappointed. The committee, nevertheless, have presented their report, and have done the best they could in this provision.

Mr. HEYBURN. I welcome the statement of the Senator from Rhode Island that this is one of the most important items in the bill.

Mr. ALDRICH. What I said was the most difficult.

Mr. HEYBURN. Yes; and important.

Mr. ALDRICH. I will agree that it is important.

Mr. HEYBURN. It is not a trifling item in the commercial world of this country. For that reason, I took the liberty of inviting Senators who I am quite sure did not know it was under consideration to come in, that they might have an opportunity, at least, of being present.

The danger always in enacting this class of legislation is that when the bill gets well along in consideration so many people have obtained the concessions they want and have such a comfortable feeling about it they can not realize that anybody else can possibly want anything, and they rather feel as though we were all ready to go home because they have what they want. Now, we have in the air the lumber item, which affects a vast number of people. It might have been disposed of—

Mr. BACON. If the Senator will permit me to interrupt him for just a moment, I desire to say that the Senator in the last sentences has given a more important illustration of the relation which all these various interests bear to a protective tariff than any I have heretofore heard in the Senate.

Mr. HEYBURN. Yet I am not inclined at all—

Mr. BACON. A general graft game.

Mr. HEYBURN. I will indorse the first statement made by the Senator and which was doubtless made in sober thought, but the last one I will not indorse. There is a great deal of objection being made by a good many people who have very little interest and take very little interest in it to the time that is being consumed in considering this bill.

The joke sifters in the gallery, I will not say whose daily bread, but whose popularity at least is with the newspapers that they represent, are not interested in the zinc schedule. If you can get up some diverting controversy here that would verge upon a disregard of the rules of the body, then they are happy. I saw an item in the editorial column of a paper this morning—I think I threw it in my desk—which illustrates what I mean very well. I will find it. It suggested an ad valorem duty upon speeches made in the United States Senate. It came in the editorial columns of one of the daily morning papers published in this city, whose representative, by the courtesy of the Senate, occupies palatial and luxurious quarters here, and who is only here by the courtesy of the Senate, and whose other representatives, through some idea that I am not able to understand, walk on the floor of the Senate. They put themselves in the position of the guest who ridicules his host. When you see that in the fugitive columns of a paper away from editorial responsibility you do not pay any attention to it, because, as I say, we know that it merely comes from where it comes from; but when a newspaper editorially undertakes to criticize this body in the responsible performance of its duty, then it places itself in the position of a guest who misbehaves himself at his host's table.

Mr. President, zinc is produced under such a variety of circumstances that you can not possibly determine this question by the consideration of any one condition. I do not believe with those who say that a tariff must be regulated upon the basis of the most prosperous of those who are affected by it, but I be-

lieve that just the contrary is the rule. Idaho is a zinc-producing State. Some may possibly say, with some reason, that I bring Idaho into these debates pretty often, but I bring it in when it is a good illustration of the principle. We had not been importing zinc into the United States from Mexico; until within the last five years we never imported any at all. At the time the last tariff bill was enacted there was no occasion for mentioning it, because it was not an item in existence. You have been told here a dozen times within twenty-four hours that zinc in ore had always been on the free list, but no one has before suggested or seemed to understand that the reason why it was on the free list was because there was no zinc ore imported at the time of the enactment of the existing tariff law, or for many years afterwards.

The necessity had not arisen. It has arisen now. There have been developed in Mexico bodies of zinc ore that can be scooped up and put on the cars in vast quantities, and brought into this country, either in the shape of zinc or spelter. They can either bring it here as ore, or they can reduce it to spelter on that side of the line and bring in the spelter. In either event it comes into our market. When it comes into our market it comes in to undersell our product.

What if they can produce ore in certain zinc mines in the United States for practically a little more than it is produced in Mexico? Is the line of protection only to extend to that class of mines? There are zinc bodies in the United States where zinc can be produced nearly as cheaply as in those in Mexico. There is very little money invested in them. They require very little expense. But we have also in this country, and particularly in the State I represent, zinc ores that have to be mined, where, before you take out a pound of zinc, you must expend some hundreds of thousands of dollars. I speak of the Success mines, where the depth already reached is something over 700 feet, and they propose 400 more immediately. It is a mine equipped with a modern, up-to-date plant, for the purpose of concentrating and reducing the zinc, at an expense of some hundreds of thousands of dollars. Would you put those people on a plane with the Mexican zinc industry that can scoop it up and put it on the car for \$2 a ton or \$2.50? The Mexican zinc ore is nearly all produced in connection with lead ores. The lead is a by-product of value, which more than compensates them for the production of the zinc.

That is not true with our mines. I have here an accurate statement that I telegraphed for as to the character of those mines. I telegraphed to Mr. Samuels, who owns the Success mine, one of our foremost business men, a man who has been mining right in that camp for twenty years, and who is mining on a large scale and knows what he is talking about. He says:

The Success mine zinc ore averages 10 to 15 per cent.

That is the crude ore as it comes out of the ground.

A ton of ore would have from 100 to 150 pounds of zinc in it. Concentrates average 45 per cent.

It takes 4 tons of crude ore on that basis to make 1 ton of concentrates, 45 per cent zinc, and the balance waste. That is the kind of zinc mining we are compelled to do. He says:

Mill complete, ready to start at any time and ship 2,000 tons of concentrates per month—

That is the capacity of that mill and that mine—when the price of zinc justifies—

That is when they can do it. They can not ship that zinc except the price justifies them in doing so—150,000 tons of ore blocked out.

That means that it has been blocked out in mining, levels run under it and above it, and up and down through it, until they are able to measure up the cubic feet of ore of a given quality in that mine, and all they have to do is to take it out. Of course they will not take it out until they know they have a market for it. Otherwise it would be a dead product on their hands.

He refers me to the official report of the mining inspector of Idaho for 1907 to verify these facts.

The Sunset district, also Pine Creek, average 10 per cent zinc.

Now, the ores on Sunset Mountain and in Pine Creek are of immense value, but it is difficult, of course, to say how valuable a mine is until the ore has been explored and blocked out. He says:

They are lying idle because of the low price of zinc; 1 cent duty, and all these properties will commence working.

Mr. President, that is a live transaction. Here is the statement made by another about that mine:

The Success mine, on Nine-Mile, will not be operated until the tariff question is settled and the price of spelter not less than \$5.25 per hundred at St. Louis, and \$5.50 per hundred at New York, and a steady market assured.

That is the situation up there.

Can Senators wonder that we have a cause here and that we insist on presenting it? Why not protect zinc if you protect lead? Why not protect lead if you protect wheat or cotton or wool or anything? The conditions of zinc mining are exactly those of lead mining. These men are compelled to pay the same wages; the machinery is as expensive; the daily cost is as great as in any other mining.

Deep-shaft mining means expensive pumps, heavy hoisting machinery; and it not only means that, but it means transportation; it means concentration; and up until the time you have reduced that to a concentrate, you have to multiply the cost of producing one ton of ore by four, because it takes four tons of ore to make a ton of concentrates.

Now, it is proposed here to bring in all ore under 10 per cent zinc free of duty. That would exclude these mines from operation.

Mr. SUTHERLAND. Mr. President—

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Utah?

Mr. HEYBURN. I yield.

Mr. SUTHERLAND. As the Senator from Idaho knows, I am just as anxious to protect these zinc-ore producers in this country as he is. I want to ask the Senator whether he thinks any ore can be imported into this country from Mexico or Australia or anywhere else carrying less than 10 per cent?

Mr. HEYBURN. Yes; it can be imported into this country from Mexico at great profit carrying less than 10 per cent. Ten per cent would be 200 pounds of zinc, and that would be about \$12. It can be mined for \$2 or two and a half, and can be brought into this country for about \$4.75. There is more profit in \$10 ore free of duty from Mexico than there is in \$30 ore in our mining camp.

Mr. SUTHERLAND. Let me ask the Senator whether any such ore has ever been imported heretofore?

Mr. HEYBURN. There is no basis to refer to in the question of zinc ore. There was no zinc ore brought from Mexico four years ago.

Mr. SUTHERLAND. That is true.

Mr. HEYBURN. This proposition is all new; it is of yesterday.

Mr. SUTHERLAND. Will the Senator permit me still further?

Mr. HEYBURN. Yes.

Mr. SUTHERLAND. I call the Senator's attention to a very recent report made by the Department of Commerce, issued during the present year, dated February 28, 1909, dealing particularly with the zinc ores of Mexico. In the course of that report it stated:

The average percentage of zinc content as shipped is between 35 and 40. The very best ore may have 45 per cent; the lowest grade contains rarely under 30 per cent. All ore has to be taken down carefully and sacked in the mine or hand sorted on the dump.

Mr. HEYBURN. That is all qualified by the two words "as shipped."

Mr. SUTHERLAND. My understanding is that up to the present time there has been no ore shipped into this country from Mexico which carries 10 per cent or under; that because of the freight rate it is impossible to do it. I think the Senator will agree with me that it is a practical impossibility to ship ore from his own State or to ship ore from the State of Utah to the Kansas smelters or any other smelters outside of the State in which it is mined.

Mr. HEYBURN. They are shipping it there already at a profit. I have the freight rates. I confess I am absolutely unable to understand the position of the Senator from Utah. While conditions are not just the same there as those existing elsewhere, yet there is a great degree of similarity between them. I have had all these arguments thrust at me that have been running around here for the last week. I suppose there has been more zinc in the air than there has been ozone in this city for the last ten days. I do not think there is any theory that has escaped my notice.

Mr. SUTHERLAND. Will the Senator answer my question?

Mr. HEYBURN. But the question would have to be a little more concrete than the Senator stated.

Mr. SUTHERLAND. My suggestion, rather. Is it possible to ship ore from Idaho to the Kansas smelters or to the Colorado smelters or any place outside of the Senator's own State?

Mr. HEYBURN. Does the Senator mean whether it is possible to ship ore concentrate to be smelted?

Mr. SUTHERLAND. I refer to ore carrying 10 per cent zinc. Is it possible to ship that ore at a profit? Is it not necessary, before the ore can be shipped, to concentrate it?

Mr. HEYBURN. Yes.

Mr. SUTHERLAND. The concentrates will carry 50 or 60 per cent?

Mr. HEYBURN. Yes.

Mr. SUTHERLAND. Then, if that is true, is it not equally true that it would be exceedingly unprofitable for the Mexican producer to ship crude ore containing 10 per cent or under to this country? In other words, is he not in the same position in that respect as we would be, and would it not be necessary for him to concentrate that character of ore there, which would carry 25 or 30 or 40 per cent, before it would be at all profitable for him to ship it into this country?

Mr. HEYBURN. No; there is no analogy between the two things at all. In the first place, a ton of ore produced at the Success mine represents the cost of mining 4 tons of ore, while a ton of ore produced in Mexico represents the cost of mining 1 ton of ore.

Mr. SMOOT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Utah?

Mr. HEYBURN. I do.

Mr. SMOOT. Mr. President, I think the Senator from Idaho has not taken into consideration all the expenses on 10 per cent ore coming from Mexico. Ten per cent ore coming from Mexico would have 200 pounds of zinc contents, and the Senator figures now that upon the value of spelter, which is \$5.30 per hundred, the value would be \$10.60 per ton reduced to spelter; but he must understand that we first have to pay the freight rate from Mexico to the smelter, and then, in addition to that, we have to pay the smelting charges, and \$10.60 would hardly be enough to pay those charges. So he must certainly see that it would be absolutely impossible to ship 10 per cent zinc ore from Mexico to any smelter in this country and get expenses back.

Mr. HEYBURN. Yes; I have allowed \$22.43 for all those things. I have figured them all up. I have those figures.

Mr. SMOOT. It is 10 per cent ore.

Mr. HEYBURN. We can not reduce the ore for \$2.43 a ton. You can not do it under any circumstances that exist or have existed.

Mr. SMOOT. The question was as to whether we could ship profitably 10 per cent zinc ore from Mexico. That is utterly impossible.

Mr. HEYBURN. It is easy to say that a thing is impossible.

Mr. SMOOT. I mean profitably.

Mr. HEYBURN. I understand that. It is not an argument to say that a thing is so. That argument involves the stating of why it is so. I have taken the items the Senator has stated. I am in a most peculiar position here. These Senators have gotten together and have agreed upon something that suits them, and they are undertaking to compel Idaho to submit to it. I propose to make a record of the proceedings in connection with this measure so that it will be a lasting one. I am speaking for Idaho and Idaho's product. Now, if they can live under such conditions as they represent, then they will make more money than Idaho does, but I propose that Idaho shall be in this procession of zinc producing.

Mr. GUGGENHEIM. Mr. President—

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Colorado?

Mr. HEYBURN. I do.

Mr. GUGGENHEIM. If that ore was shipped from Idaho or Mexico to any smelter, instead of being paid for the ore they would have to pay a bonus for the purpose of having it treated.

Mr. HEYBURN. Yes; I heard all that in the discussion of the lead schedule.

Mr. GUGGENHEIM. There is not a man who knows anything about mining who would ship ore of that kind.

Mr. HEYBURN. I have heard all that discussed in connection with the lead schedule. I have, perhaps, been intimately connected with mining quite as long as any of the Senators who are speaking, and I have had occasion to keep pretty well informed about it.

Mr. SMOOT. Mr. President, in answer to the Senator from Idaho, when he states that we have got together and agreed upon some proposition that would suit us, I want to say that, if there was only the question of manufacturing spelter, I would be perhaps in the same position as the Senator from Idaho.

Mr. HEYBURN. The Senator from Utah was in the same position until a day or two ago.

Mr. SMOOT. Oh, no, Mr. President. I offered an amendment here over a month ago, proposing a graduated scale. So the statement made by the Senator from Idaho is not altogether correct. But I want to say that there are other interests outside of the smelting interests which are concerned here. I refer to the oxide interest.

Mr. HEYBURN. I shall have to ask the Senator to defer the oxide question until he has the floor. I am not speaking for the oxide people; I am not speaking for the spelter people; but I am speaking for the men who own and work mines.

Mr. SMOOT. I was speaking for all the interests of the United States—every one of them—and that is what we had to take into consideration.

Mr. HEYBURN. If the Senator will permit me, I am not going to spend very much time on this question, because, inasmuch as these other zinc-producing States have made up their game, I am only going to make up my record.

Mr. KEAN. I have not made up mine yet.

Mr. HEYBURN. Yes; the Senator from New Jersey comes in with an entirely new proposition that is as wide as the poles apart from that submitted by this amicable arrangement between Utah and Colorado.

Mr. President, if Idaho stands alone to-day in a position peculiar to itself under the rule of protection, it is entitled to consideration. It may make for other States a little too much money. I do not object to the Senator from Colorado [Mr. GUGGENHEIM] or his constituents making a little more than they would make otherwise, or the Senator from Utah [Mr. SMOOT]. If they make a little more because it is necessary that they should do so in order that Idaho should make any at all, I will let them have the benefit of it. Why they should stand here and attempt to whittle and hew down a kindred interest in another State I am unable to understand. I might understand it probably if I were to investigate it.

Mr. President, I am going, at the proper time, to offer an amendment to restore the Dingley rates upon spelter and upon zinc products, and to amend by retaining the rate proposed in this bill as reported. I shall offer that amendment at the proper time. I am sorry that New York and Pennsylvania and Ohio and Illinois and some other States do not produce zinc. They would probably be more interested in it if they did. I do not know whether the great State of Rhode Island produces zinc or not. I have not heard the Senator from that State say whether it did produce zinc, but I infer from the circumstances surrounding the consideration of this question that that great Commonwealth does not produce zinc, Mr. President. [Laughter.]

Mr. KEAN. I did not quite understand the Senator. Did he refer to the State of New Jersey?

Mr. HEYBURN. No; I referred to Colorado and some States that are not known to produce zinc, and did not include the State so ably represented by the Senator from New Jersey.

I am watching this question of the enactment of a tariff law under the alias of "revision of the tariff" with a great deal of interest. I am beginning to realize that the Republican party organization will have to put out some watchmen and station some guards pretty soon, or the old lines will be lost. This is a question of protecting an interest that is of such vast importance to a State, where one mine will ship 250,000 tons of ore product every month in the year, and when, simply because some other States represented upon this floor by the members of the Finance Committee do not happen to produce that particular article, but do produce others. I think that the old Republican doctrine of protection, that should spread like a mantle over all the interests of the country, needs guards.

Mr. KEAN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from New Jersey?

Mr. HEYBURN. I do.

Mr. KEAN. Would it interrupt the Senator if I asked him what the production of zinc ore was in Idaho?

Mr. HEYBURN. I call the Senator's attention—and I am only speaking now for one camp—to the fact that the Success mine, with the ore blocked out, the mill erected, and concentrators erected, has concentrated a very large quantity of ore, and can ship 2,000 tons of concentrates per month. That is 24,000 tons of concentrates that that one mill can ship in a year. There are a dozen others that can be put into the same position before the snow flies if the Republican party, true to its history and its principles, will protect that interest.

Mr. KEAN. Mr. President, I only had before me what I supposed to be the production of zinc ore, and I find that Idaho in 1904 produced none.

Mr. HEYBURN. No.

Mr. KEAN. In 1905 it produced 1,700 tons; in 1906, 2,150 tons; and in 1907 it produced 11,847 tons.

Mr. HEYBURN. The increase in Idaho, according to this same official table, was 600 per cent last year.

Mr. KEAN. What is the last year for which the Senator has the figures—1908?

Mr. HEYBURN. I have not the figures for 1908. I know what they are. They do not represent an increase of less than 600 per cent in that year.

We do not make comparisons against States here, because of a very wise rule that no Senator shall reflect upon a State represented by another, and I do not want, under any circumstances, to do it. But the increase in the production in the States of Missouri and Kansas was 9 per cent, in New Jersey it was 32 per cent, in Wisconsin it was 174 per cent, in Arkansas it was 115 per cent, and in Colorado it was 51 per cent. But it is a real, live, growing industry in Idaho. It increased 600 per cent in a year, and it would increase a great many times 600 per cent if you could get interest enough in this subject to treat it just as you treat other metals similarly situated. That is the proposition.

I do not know what has come over the spirit of the dream of Colorado and Utah in this matter. I am of an inquiring turn of mind and probably will know. When lead was at issue in this Chamber they were alive and awake, because that was an industry the development of which is not shrouded in any doubt or uncertainty.

I would not for a moment charge that any of these interests own mines in Mexico or are interested in the zinc business in Mexico; but if it should be that the interests did extend over the line, then I might understand it. I might understand how, with free ore, smelters would be constructed on the Rio Grande River, which is less than 60 miles from the great deposits of raw ore that can be put to the Rio Grande River—mining, freight, and everything—for \$4 a ton, and there reduced to spelter that will come into the markets of this country without any duty whatever. It will be American-produced spelter out of free Mexican ore. Is not that plain enough to everyone?

It may be that men or combinations of men do want free ore because they own the ore fields and they can bring the ore across the line and save themselves against the spelter duty, but that is not Republican tariff making.

Mr. President, I have reached a period where I do not feel in quite so great a hurry as some of my associates in regard to the disposition of this question. It seems to me that this tariff bill has reached a position something like that described in the Pauper's Funeral. Great items and great interests are satisfied, and now they are rattling his bones over the stones to get him out of the way.

So far as I am concerned, I have time enough to perform what I conceive to be my duty in this legislation; and I shall take the liberty of occupying it even though they put an ad valorem duty on speeches. [Laughter.] I am going to give those who are present here an opportunity to hear and to think, and I am going to give those who are not present an opportunity to think, and they will come in and vote, I presume, on this question.

Mr. President, I propose the amendment which I send to the desk.

Mr. NELSON. Mr. President—

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. NELSON. Will the Senator allow me to suggest the absence of a quorum?

Mr. HEYBURN. If it would—

Mr. NELSON. If it is not disagreeable to the Senator—

Mr. HEYBURN. Not at all. I should rather see Senators here.

Mr. NELSON. I suggest the absence of a quorum, Mr. President.

The VICE-PRESIDENT. The absence of a quorum being suggested, the Secretary will call the roll.

The SECRETARY called the roll, and the following Senators answered to their names:

Aldrich	Clay	Guggenheim	Paynter
Bacon	Crane	Hale	Perkins
Bailey	Culberson	Heyburn	Piles
Bankhead	Cullom	Hughes	Rayner
Borah	Cummins	Johnson, N. Dak.	Root
Brandagee	Curtis	Johnston, Ala.	Scott
Briggs	Daniel	Jones	Simmons
Brown	Davis	Keen	Smith, Md.
Bulkeley	Dick	La Follette	Smoot
Burkett	Dillingham	McLaurin	Sutherland
Burnham	Dolliver	Martin	Tallaferro
Burrows	du Pont	Nelson	Tillman
Burton	Elkins	Newlands	Warner
Carter	Fletcher	Nixon	Wetmore
Chamberlain	Flint	Oliver	
Clapp	Gamble	Overman	
Clark, Wyo.	Gore	Page	

The VICE-PRESIDENT. Sixty-five Senators have answered to the roll call. A quorum of the Senate is present. The amendment proposed by the Senator from Idaho will be stated.

The SECRETARY. On page 66, paragraph 190, lines 14 and 15, strike out down to and including the word "therein," in line 15, and insert:

Zinc contents contained in zinc-bearing ores of all kinds, 1 cent per pound.

Mr. HEYBURN. Mr. President, that is the language contained in the lead schedule, and there is no reason why it is not appropriate in the zinc schedule. If it is not appropriate in one, it is not appropriate in the other. We are competing against the wage scale of Mexico as much in zinc as we are in lead. We are competing against exactly the same conditions, and we are not asking as much by this amendment on zinc as was asked on lead, although we would be entirely justified in doing so. I will undertake to say that had there been any necessity of doing so at the time that the Dingley law was enacted, the same duty would have been put upon the zinc contents of the ore as was put upon the lead contents of the ore, because they were then dealing with a clear field; they were making a Republican tariff, and not revising one.

I notice that there is not that outspoken patriotic spirit of Republicanism displayed in revising this tariff that there was in making the existing law. They had then, right close in their memories, the experience of four years of Democratic tariff. It had been a lesson to them in every State in the Union, especially in the mining States; and when they were looking for the right thing to do they were not embarrassed by existing conditions. They were rather aided by the comparison between poverty and prosperity in those sections. That is what I am standing for to-day. A new condition has arisen demanding the same class of relief and assistance as existed at the time of the making of the Dingley law.

Mr. President, does anybody suppose that there would have been a Republican vote against this amendment had it been offered at the time of the making of the Dingley bill? No one would have been able to give a reason for it at all. Why do Senators oppose it? Do you want wages paid to the foreign miner and leave our own zinc ore in the ground? What for? On the ground of the conservation of the natural resources of the country? I can think of no other ground. Of course it would stay there all right. It would not rot like timber; it would not burn up like forests; and there is no Senator here on either side who would for a moment, after due consideration of this question, say that anyone would be benefited by leaving this ore in the ground and going down into American pockets and taking the price of your corn or your wheat to buy foreign zinc that represented foreign wages and foreign investments.

Mr. NELSON. Mr. President, will the Senator yield to me for a moment?

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. HEYBURN. Certainly.

Mr. NELSON. I have looked over this book of Tariff Notes, and I do not find Idaho listed among the States producing zinc ore. Therefore I am very much surprised at the statement of the Senator from Idaho about the quantity of ore produced there. What I should like to know is, what is the grade of that ore? Is it a low-grade ore, spelter ore, or oxide ore?

Mr. HEYBURN. I will tell the Senator. First, there are two kinds of States—there are States that have a history and States that have a future. [Laughter.] Some have both. I was reading from the official report of the production, and, leaving out the Joplin district, Idaho stands on the Government's report as the third largest zinc-producing State in the Union. The Senator may not find it in the "Book of Estimates." I looked for some things there when that came here as the concentrated wisdom of the distinguished body at the other end of the Capitol. I did not find some things which I should have been very glad to have found there, and I found some things I regretted to find there. But we are here to act upon our wisdom, not the wisdom of the House. I will not say that I do not care for their opinion, for I care for the opinion of every man who has given any consideration to a question; but I am not bound by it.

I heard it stated here early in the consideration of this tariff bill that the presumption was in favor of the House bill. With all due consideration to the House and its prerogatives, I deny it. The presumption is in favor of the wisdom of the existing law. You can not get away from that proposition. Every presumption here is in favor of the sufficiency and the appropriateness of the existing tariff law, and I "must be shown" before I vote to change a single duty now provided for. Where new industries have grown up, they should be incorporated into the scheme of protection. I am not willing to join with those who would have you believe that at the time of the meeting of the Republican party in Chicago the country was in bankruptcy and in poverty. It was not. I am not one who will join with those who denounce the Dingley tariff law. It was and has been the best and greatest tariff law that ever was enacted, because it had the benefit of the experience of the time that had gone before, and it was the result of tried conditions.

And that a Republican should stand up here and attempt either to apologize for it or to denounce it puts me upon inquiry as to the condition of his mind when he said to the constituents who elected him to participate in the proceedings of Congress that the Republican party was entitled to their suffrage and that he represented the principles of it, and that he would stand for them. If there is a man in this House or in the other who apologizes for the Republican party, he is not worthy to wear the honors that the people gave him. I am tired of these half-stated and often insinuated apologies for the wisdom of the party.

Mr. President, if you do not deal fairly with all the people of the country, you will only make the task the harder for those of us who participate in the political campaigns that result in Republican supremacy. If you think you can throw this State down and this interest down, remember you have to pay for it in some States in votes. I do not think you will have to pay for it in votes in Idaho, because the protective-tariff system is their law and their gospel, and no man can ever go into that State and make those people believe that it will not ultimately prevail. You may shake their confidence by slurring over this zinc schedule, and we may have to explain your action and apologize for it, but they will still vote the Republican ticket, having faith that the time will come when there will be a Republican party in Congress which will know Republicanism and how to apply it.

You want the lumber of Washington protected. Where would you sell it if you bankrupt a whole community? You would sell it to some other. Where, if you bankrupt the other? The prosperity of one community depends upon that of another. We are your market; you are our market, living only across the line.

Mr. President, I do not know that I can say much on this occasion that will influence the minds of those who are to determine it, but I have never believed in shirking a responsibility or a duty because some one else was apt to forget his. I never did take my moral code from somebody else, and I do not propose to take my political code from somebody else. This is the center of responsibility for legislation, right here upon this floor. Our judgment must control, and not that of any other. I am not going to vote for any alternative provision, with a view of supplying money to pay the expenses of this Government, until we have exhausted the constitutional method of providing that money through the custom-houses of the country and the internal-revenue resources. If, after we have enacted a revenue bill and it has been in operation for the period between now and the next session of Congress, it should be proved by experience that we did not have revenue enough, I would then be willing to take up any legitimate proposition for the purpose of meeting the deficit. But until that is demonstrated—demonstrated, not claimed or asserted, but demonstrated—I shall not support any of these measures that are recommended. If I had no other reason than that of sustaining the judgment of those who are responsible for this bill as it was presented to us, I would sustain them. I have supported them, not always with perfect accord, but I have supported them because that support was a part of a systematic method of enacting a sufficient statute to meet the requirements of the Government. I realize that legislation, as everything else in life, must be a matter of yielding some here and some there by either party. Otherwise it would mean that men were all of one mind, which they are not, and never will be, and should never be. Out of the differences of minds we gather that average wisdom which is best.

Mr. President, I am content to leave the zinc schedule, with the amendments which I have offered and two other amendments that I will now offer, for the consideration of the Senate, unless something should occur to prompt me to say something more.

The VICE-PRESIDENT. The Secretary will state the amendment submitted by the Senator from Idaho.

The SECRETARY. On page 66, lines 14 and 15, strike out down to and including the word "therein" in line 15 and insert "zinc contents contained in zinc-bearing ores of all kinds, 1 cent per pound."

Mr. HEYBURN. That simply restores the Dingley rate.

The VICE-PRESIDENT. For the information of the Senate, the Secretary will now state the other amendment.

Mr. KEAN. Does the Senator desire to have a vote on his amendment now?

The VICE-PRESIDENT. The Senator from Missouri desires to be heard prior to a vote.

Mr. HEYBURN. I suggest the absence of a quorum.

The VICE-PRESIDENT. The Senator from Idaho suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Crane	Gamble	Perkins
Bacon	Crawford	Guggenheim	Piles
Bankhead	Cullerson	Heyburn	Rayner
Borah	Cummings	Hughes	Root
Brandeggee	Curtis	Johnson, N. Dak.	Scott
Briggs	Daniel	Johnston, Ala.	Simmons
Bristow	Davis	Jones	Smith, Md.
Brown	Dick	Kean	Smoot
Bulkeley	Dillingham	La Follette	Stone
Burkett	Dixon	Lodge	Sutherland
Burnham	Dolliver	McEnery	Tallaferro
Burton	Elkins	McLaurin	Taylor
Carter	Fletcher	Martin	Warner
Chamberlain	Flint	Nelson	Warren
Clapp	Foster	Overman	Wetmore
Clark, Wyo.	Frye	Page	
Clay	Gallinger	Faynter	

The VICE-PRESIDENT. Sixty-six Senators have answered to the roll call. A quorum of the Senate is present.

Mr. STONE. I desire to ask the Senator from Idaho just what would be the difference in the effect between his amendment now pending and the provision in the House bill fixing the duty on zinc contents at 1 cent per pound?

Mr. HEYBURN. The provision in the House bill fails to include all classes of ores. The language is not so full and comprehensive as to fully protect against all zinc contents in zinc ores. The language was correctly stated in the lead schedule. It is merely made more comprehensive, so that there may be no opportunity for an adverse ruling on the question whether all zinc contents, in whatever form, are subject to a duty. Fully one-half are calamine. It is divided about evenly into two classes of ore.

Mr. STONE. Yes. I wish to inquire if the House provision should be agreed to and if the amendment proposed by the Finance Committee is voted down, what contents of what zinc ores would escape that tax?

Mr. HEYBURN. Is the Senator now referring to the provision suggested by the committee or to the House bill as it came over?

Mr. STONE. The House bill is the bill before the Senate.

Mr. HEYBURN. But the committee has submitted a substitute—

Mr. STONE. Yes.

Mr. HEYBURN (continuing). Which classifies the ore on the 10, 20, 25, and 40 per cent basis.

Mr. STONE. I understand that. If that is disagreed to, then the House provision would stand.

Mr. HEYBURN. Then the House bill should be amended as suggested by the amendment I have introduced, which is only in the interest of making the duty certain and making it cover all classes of contents.

Mr. STONE. The point I had in mind was that the amendment proposed by the Senator from Idaho would leave the matter substantially where it is under the House bill.

Mr. HEYBURN. No. The House bill is not sufficiently expressive to include the two principal classes of zinc ore which, so far as the zinc producer is concerned, stand upon the same basis, so far as the need of protection goes. Zinc ore is of a peculiar character. There is one class of zinc ore that has always been so classified, and the other has not been included in that classification. The Senator will find it is necessary, because of the classification of the ores.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Idaho.

Mr. KEAN. Would the Senator like to have a vote on the amendment?

Mr. HEYBURN. I expect it will be voted on at the proper time. I did not offer the amendment to lay it on the table. Whenever, in the orderly procedure of the disposition of this matter, the amendment comes to be voted on, I desire a vote.

The VICE-PRESIDENT. A vote is in order now unless some Senator wants to debate it. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was rejected.

The VICE-PRESIDENT. The other two amendments proposed by the Senator from Idaho seem to be to the following paragraphs and not to this paragraph.

Mr. HEYBURN. I see.

The VICE-PRESIDENT. The question is on agreeing to the paragraph as amended.

Mr. KEAN. This is—

The VICE-PRESIDENT. Paragraph 190, the substitute of the committee.

Mr. KEAN. I understand the amendment before the Senate is the amendment offered by the Senator from Rhode Island.

Mr. ALDRICH. The substitute.

The VICE-PRESIDENT. As a substitute for the paragraph. Mr. ALDRICH. Offered by me for the committee.

Mr. KEAN. So I understand.

Mr. President, I shall be brief. Zinc ore has never been on the dutiable list in any tariff of the United States save in the tariff acts of 1846 and 1857. It has always been free, and this departure, taking it from the free list to the dutiable list, to my mind is an extraordinary proceeding. I do not think it can be justified on any showing of facts or that any reason can be advanced for it, either in the interest of the producer of ore or in the use of the manufactured article. I believe the situation of the mines is such, with the freight rates against foreign ores, that a duty on the ore is unnecessary. I suppose the committee's amendment is a little better than the bill as it came from the House. But I do not see that it is very much better.

Zinc-bearing ore of all kinds, including calamine, containing less than 10 per cent of zinc, shall be admitted free of duty.

To my mind zinc ore, and so forth, containing less than 10 per cent of zinc, is nothing but dirt. But there are admitted into the United States some foreign ores that are smelted—of silver, gold, and copper—that have some 10 per cent of zinc in them. This exempts that class of ores, but I must say also that I think it is impossible for the smelter of that ore to save that 10 per cent of zinc, because it goes up in the furnace; it is lost. The next provision is:

Containing 20 per cent or more of zinc and less than 25 per cent—one-fourth of 1 cent.

That is ore which does not exist and is not used. It is not commercial in any way. It is not transported.

Containing 10 per cent or more of zinc and less than 20 per cent, one-half of 1 cent per pound on the zinc contained therein.

That duty would be absolutely prohibitory. No one could bring it in. And so on, up to 1 cent per pound for zinc, which is practically a duty of \$12 a ton on 60 per cent ore, which is ordinarily known as the ore of commerce from the Joplin district of Missouri.

Mr. BURKETT. Let me ask the Senator a question. As the House passed the bill, it put all this ore at 1 cent a pound?

Mr. KEAN. It did. So far as the commercial aspect is concerned, it is generally rated at 60 per cent ore. That would be \$12 a ton.

Mr. BURKETT. As I understood the Senator to state, the amendment which the committee have now suggested puts the highest grade, 25 per cent or above, at 1 cent a pound, and that which is less than that at something less than that rate.

Mr. KEAN. On the highest-grade ore, after it gets to 25 per cent, the rate is 1 cent per pound. That is really the only commercial ore. From 25 per cent up to 60 per cent is the only commercial ore. I know that the Senator from Colorado will say there are other ores, and so on, but they are not transported.

Mr. GUGGENHEIM. Mr. President—

Mr. BURKETT. Let me ask one more question in continuation. As a matter of practical purpose, while this appears to be a reduction it is practically the same as the bill as sent over from the House, if I understand what the Senator from New Jersey states.

Mr. KEAN. I think it is, almost.

Mr. BURKETT. If there are no imports below 25 per cent, if the importation of such grades is impracticable on account of business reasons, either because it is not transported or otherwise, then the rates are not reduced.

Mr. KEAN. I think the Mexican ores run from 28 to 35 per cent.

Mr. BURKETT. That would take the cent rate.

Mr. WARNER. I think the plea of the New Jersey people themselves before the Finance Committee was that they wanted these low-grade ores in order to make zinc oxides. I think I am right. Not that the zinc smelters wanted the graded scale, for they protested against it. But the committee thought it to be an act of justice to all.

Mr. KEAN. Does the Senator from Missouri contend that ore containing less than 20 per cent is commercial ore?

Mr. WARNER. I do, from the outside. It is only a question of getting it cheaply; and with the freight aside, I not only so contend, but the record will show, that these ores can be obtained from mines in old Mexico for 50 cents a ton; and if you get it free on board of the cars at \$2—the cheap ore—the freight from the shipping point to the mines in Missouri is \$6.50.

Mr. GUGGENHEIM. To remove an erroneous impression, I wish to say that the zinc ores of Missouri, known as "Joplin ores," and concentrated, contain about 1,200 pounds of metallic zinc. At 1 cent per pound, the duty would be about \$12 per ton.

But the zinc ores from Mexico contain on an average 600 pounds of zinc. Therefore the duty under this bill would be \$6 a ton.

Mr. KEAN. Not at all.

While the Senator from Ohio was speaking to-day the Senator from Colorado called attention to the production of spelter in the United States. He stated that there were 24,885 tons of spelter made in Colorado.

Mr. GUGGENHEIM. How many?

Mr. KEAN. Twenty-four thousand eight hundred and eighty-five tons. According to the statement which he read, and which I have here, he did not read the top of the page where it says "apportioned according to source of ore." That means there were 24,885 tons of spelter made in the United States out of ores that came from Colorado.

Mr. GUGGENHEIM. I was connected at one time with a zinc plant in Colorado that did produce and is producing now about 15,000 tons of spelter from Colorado ores. It is immaterial whether this ore was smelted in Colorado or not. Some of the ore does go to Illinois, Wisconsin, and Kansas. My statement about it having been produced in Colorado has nothing to do with this case, because it is really the amount of ore produced in the State of Colorado.

Mr. KEAN. Then also in this table I find "apportioned according to locality in which smelted." In the Eastern, Southern, and Western States there were smelted 35,817 tons; in Illinois, 50,244 tons; in Kansas, 99,298 tons; in Missouri, 10,201 tons; in Oklahoma, 14,864 tons; making a total of 210,424 tons.

Mr. GUGGENHEIM. Spelter?

Mr. KEAN. The ore smelted aggregated 210,424 tons. I fail to see that Colorado had any at all.

Mr. HUGHES. I should like to inquire of the Senator from New Jersey if he means to claim that they do not?

Mr. KEAN. Oh, no; nothing of the kind.

Mr. HUGHES. Those of us who live there—

Mr. KEAN. I know there is.

Mr. HUGHES. Know that the amount stated by the Senator from Colorado is under the quantity rather than over it.

Mr. KEAN. I only took the figures from the report of the Geological Survey.

Mr. GUGGENHEIM. Mr. President—

Mr. HUGHES. Was it for the purpose of giving information or misinformation?

Mr. GUGGENHEIM. I suggest that the Senator from New Jersey ask the Senators from Colorado for the facts.

Mr. DIXON. I merely want to ask my friend, the Senator from New Jersey—

The VICE-PRESIDENT. Does the Senator from New Jersey yield to the Senator from Montana?

Mr. KEAN. Certainly. I will try to answer the question.

Mr. DIXON. I wish to ask a question or two before he closes his argument. I have been very much interested in the mental attitude of the Senator from New Jersey and am a little bit surprised to see a new recruit to the tariff-revision-downward element of the Senate.

Mr. KEAN. I do not belong to the element the Senator thinks I do.

Mr. DIXON. I notice that paragraph 53 of the bill reads:

Zinc, oxide of, and white pigment containing zinc, but not containing lead, dry, 1 cent per pound; ground in oil, 1½ cents per pound; sulfid of zinc white, or white sulphide of zinc, 1½ cents per pound; chloride of zinc and sulphate of zinc, 1 cent per pound.

I should like to inquire of the Senator from New Jersey whether, in his opinion, the duties fixed on oxide and the manufactures of zinc are too high?

Mr. KEAN. As I understand it, if a duty is put on zinc ore another amendment will be reported changing those rates.

Mr. DIXON. No; but the Senator does not think that the duty fixed on oxide of zinc is at all too high?

Mr. KEAN. I am not discussing the question of oxide of zinc at present.

Mr. WARNER. Those articles are of common use.

Mr. KEAN. Of very common use; we are aware of that. But they have to be made from zinc ore. If you are going to put all the price on the zinc ore, how are you going to get the other things out of it?

Mr. DIXON. I really have been somewhat impressed with the universal line of fairness and consistency that I think the Finance Committee has pursued in the preparation of the bill. I think all along the line the general plan has been to give all things that we produce in this country a fair degree of protection, where it has been demonstrated that a difference in cost exists between here and abroad. I think that is the only theory on which the Senate can ever pass a protective-tariff bill. I can not conceive of the argument that where an industry is protected in its manufactured products it must not consistently carry a relative duty on the raw products of that industry. If

the tariff duty on zinc oxide and the other products of zinc and pig zinc is to stand as parts of the protective tariff, the very small duty now carried by the Senate committee amendment certainly ought to go through in the same schedule.

Mr. KEAN. The Senator interrupted me for a question to make his little speech, which I am glad to have interjected into my few disconnected remarks.

Mr. President, I am opposed to this amendment because, in the first place, it puts zinc ore on the dutiable list and imposes a prohibitory duty on it. In the second place, I think the imposition of the duty is intended to protect the miners of the Joplin district and of the district in Idaho, and I do not believe they will ever get any benefit therefrom.

Mr. HEYBURN. Mr. President, that is a most astounding statement. The Senator from New Jersey says it must be admitted that the purpose of this amendment is to protect the zinc miners in Missouri and in Idaho, and he does not think they ought to be protected.

Mr. KEAN. I did not say that. I think that they will not receive the benefit of it.

Mr. HEYBURN. That is a subsequent statement. The Senator says he does not think the miners in Idaho and in Missouri would receive the benefit. Who would?

Mr. KEAN. Does the Senator want to know who I think would receive it? I think the foreign smelters would receive it.

Mr. HEYBURN. I think probably certain zinc institutions in New Jersey would receive the benefit of it.

Mr. WARNER. Mr. President—

The PRESIDING OFFICER (Mr. CARTER in the chair). Will the Senator from New Jersey yield to the Senator from Missouri?

Mr. KEAN. Certainly.

Mr. WARNER. The Senator says that the miners of Missouri would not get the benefit of this duty?

Mr. KEAN. I said, in my opinion, they would not.

Mr. WARNER. I do not know what information the Senator has as to the class of men who constitute the miners of the Joplin district in Missouri. There are 11,000 men there as intelligent and bright as any class of business men you could find in the State of New Jersey.

Mr. KEAN. Mr. President, I have no object in the world in reflecting upon citizens of Missouri.

Mr. WARNER. You could not.

Mr. KEAN. I would not want to. I think they are very hard working; they have built up a wonderful industry in Joplin. The zinc industry is a very marvelous production, and they have worked very hard to build it up. I think the freight rate on the Mexican ore is a sufficient protection for all. The freight rate on Mexican ore is about 60 per cent of the value of the ore, and therefore it is nearly within 25 per cent of the selling price of the manufactured product.

Then, again, there is not sufficient zinc ore produced in this country to supply the demand, and some has to be imported. Of course, after the Senator from Idaho gets that wonderful production of his State, producing 1,700 per cent more, perhaps they will be able to supply the home demand.

Mr. HEYBURN. The increase of 600 per cent is present history; the 1,700 per cent is assured future. We have already produced 11,000 tons. That is not a guess.

Mr. KEAN. I knew the past was secure, but I did not know the future was.

Then again, zinc ore is the only article in the tariff bill, I think, which has been taken out of the free list and at the same time has had really a prohibitive duty placed upon it. The reason why I say it is a prohibitive duty is because one of the chief witnesses in advocating a duty on zinc ore before the Committee on Ways and Means was a gentleman from Joplin, Mo., named A. O. Ihlseng. He seems to be an active gentleman, desiring to purchase ore. He seems to have come down here to Washington and to have made himself rather secure in his position, because he returned to Joplin, Mo., and he writes his friend down in Chihuahua, Mexico, stating what he proposes to do. He says:

JOPLIN, Mo., May 21, 1909.

DEAR SIR: Some time since I had a communication from you with reference to zinc carbonates.

The tariff situation is such that it will be necessary to ship all these ores to Europe, and I should be pleased to hear from you as to what tonnage you can furnish on a long-time contract, sending me a general sample of your ore and an analysis.

Yours, very truly,

A. O. IHLESENG.

The letter is signed by the gentleman who was so desirous of having a duty put upon Mexican ores in order, to all appearances, that he might buy up Mexican ores and take them to Europe, thereby enhancing the price not only of our ores, but of the Mexican ores.

These facts, I think, are all I desire to state, except to offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from New Jersey will be read by the Secretary.

The SECRETARY. On pages 66 and 67 strike out paragraph 190 and insert in lieu thereof a new paragraph, as follows:

190. Zinc ore and calamine containing not over 30 per cent zinc, 50 cents per ton; containing more than 30 per cent zinc and not over 40 per cent zinc, \$1 per ton; containing more than 40 per cent zinc and not over 50 per cent zinc, \$2 per ton; containing more than 50 per cent zinc and not over 55 per cent zinc, \$3 per ton; containing more than 55 per cent zinc, \$4 per ton.

Mr. SMOOT. Is the Senator from New Jersey through?

Mr. KEAN. Except that I have here a statement that I should like to have published in the RECORD.

The PRESIDING OFFICER. In the absence of objection, it is so ordered.

The statement referred to is as follows:

ZINC ORE UNDER THE PAYNE TARIFF BILL.

The production of zinc ore in the United States in the years 1904 to 1907 appears from the following table, taken from Mineral Industry for 1907 (Vol. XVI), at page 904:

State.	1904.	1905.	1906.	1907.
	Tons.	Tons.	Tons.	Tons.
Arkansas.....	1,900	2,200	4,200	4,088
Colorado.....	94,000	105,500	114,000	142,510
Idaho.....		1,700	2,150	11,847
Kentucky.....	958	414	975	1,005
Missouri-Kansas.....	273,238	258,500	280,260	297,126
Montana.....		2,000	4,900	1,218
Nevada.....			7,080	4,593
New Mexico.....	21,000	17,800	30,000	4,281
New Jersey.....	280,029	361,829	404,690	368,710
Oklahoma.....				3,240
Utah.....		9,265	10,700	9,043
Wisconsin.....	19,300	32,690	42,130	58,011
Others.....	2,600	13,800	850	2,241
Total.....	693,025	795,698	905,175	902,923

^a According to H. F. Bain, "Contributions to Economic Geology," 1904.

^b Estimated.

^c Report of state geologist; crude ore.

^d Production of Joplin district plus output of southeastern Missouri, the latter as reported by the state mine inspector.

^e Partly estimated.

^f Arizona, Nevada, Illinois, Iowa, Tennessee, and Virginia.

^g Virginia, Arizona, and California.

The above ores are of two kinds, viz, blende, which is the ore containing sulphide of zinc, and calamine, which includes the ore containing carbonates and silicates of zinc. Calamine has been on the free list in all the tariff acts since 1792, except in the tariff acts of 1846 and 1857. Originally, and until comparatively recent years, the term calamine has included all the ores of zinc that were commercially valuable. It is only within the past thirty-five years that the blende ores—that is, the ores containing sulphide of zinc—have been considered commercially valuable. Blende ores have been admitted free of duty under section 614 of the Dingley Act as crude minerals not otherwise provided for. It has, therefore, been the apparent policy of the Government from the earliest time to admit zinc ores free of duty; and experience has shown that this policy of the Government is sound. It has never appeared to be in any way a menace to domestic enterprises, and there is no ground for alarm on this score in the future.

I.

THE PRODUCTION OF ZINC ORE FROM THE JOPLIN DISTRICT, WHICH IS THE CHIEF DOMESTIC SOURCE OF SUPPLY OF ORE FOR METALLIC ZINC, HAS FALLEN FAR SHORT OF THE DEMAND.

The rapid development of domestic manufactures in which zinc is used has made the question of ore supply important. The following table shows that the production of domestic spelter, i. e., metallic zinc, has increased much more rapidly than the production of zinc ore from the Joplin district, in spite of the fact that the price of such ore has increased much more than the price of spelter. The figures are compiled from "Mineral Industry" for 1907.

Year.	Zinc ore produced in Joplin district (actual shipments).	Average price of ore at Joplin.	Spelter produced in United States.	Average price of spelter at New York.
1900.....	248,446	26.50	123,321	4.39
1901.....	258,306	24.21	140,822	4.07
1902.....	262,545	30.73	158,239	4.84
1903.....	234,873	34.44	158,502	5.40
1904.....	267,240	37.40	181,803	5.10
1905.....	252,435	47.40	201,748	5.88
1906.....	278,980	44.82	225,494	6.19
1907.....	286,589	44.36	249,612	5.96

It must be borne in mind that about 2 tons of Joplin ore are required to make 1 ton of spelter.

This table shows that while spelter production in the United States has increased 102.4 per cent in the past eight years, with an increase in price of 35.8 per cent, Joplin ore has increased in production by only 15.4 per cent, although its price has increased 67.4 per cent.

In 1907 the highest price paid for Joplin ores was \$53.50, and in 1908, \$47.

The striking discrepancy between the enormous increase in Joplin ore prices and the slight increase in the spelter prices shows that the smelters have given to the miners almost all the increase in profit due to improvements in smelting and increased demand for the metal. This condition has been unavoidable on account of the fierce competition for the ore and the shortage in the ore supply.

In addition to the figures given above, which tell their own story, it has been notorious in the trade that from a period long before the imported ores of Mexico and British Columbia were a subject of much interest the Joplin district was failing to meet the increasing demands upon its mines. We have not attempted to collect all the evidence on this subject, but we have collected a number of items from the Engineering and Mining Journal, an impartial and recognized authority, showing the conditions of the Joplin ore supply in the years 1904, 1905, and 1906. These items follow:

EXTRACTS FROM ENGINEERING AND MINING JOURNAL OF VARIOUS DATES.

January 7, 1904—Page 15.—Zinc in 1903, by W. R. Ingalls. "The decline in production in the Joplin district was due partly to the very wet weather in the spring which interfered with operations to some extent, but the chief cause is obviously the inability of the mines of the district to do any more than they have been doing. It appears that the productive capacity of the Joplin district has attained its maximum, even if it be not already on the wane."

August 4, 1904—Page 205.—Missouri ore market (special correspondent). "Even then, with the new smelters in the field for the product of the Missouri mines, the output will barely meet the urgent demands of the capacity of all the works drawing a supply from this district."

September 8, 1904—Page 44.—Missouri ore market (special correspondent). "As has been previously outlined in the Journal, the output is insufficient to meet the demand of the increased smelting capacity drawing a supply from this district, and in consequence the ore price has been about \$4 per ton higher than the metal market for two months."

September 29, 1904—Page 534.—Missouri ore market. "The effort to supply the demand of approximately 8,000 tons per week, with an output of approximately 5,000 tons, has resulted in cleaning up all the reserve ore in the district and forced buyers to contract largely ahead of the output."

October 6, 1904—Page 573.—Missouri ore market (special correspondent). "There are just two things there is no apparent question about in the ore situation—the scarcity of zinc ore and the need of zinc ore."

November 24, 1904—Page 854.—Missouri ore market (special correspondent). "The capacity of the smelters drawing ore from the Joplin district is greater than the mines are outputting, a fact that was pointed out in this column last July."

January 5, 1905—Page 14.—Zinc, by W. R. Ingalls. "The direct cause of this has been of course the insufficiency of the Joplin ore supply to meet the present demand for spelter for consumption."

March 16, 1905—Page 543.—Missouri ore market. "It was noted in this column last year that it was apparently a physical impossibility for this district to supply all the zinc ore needed to manufacture all spelter demanded by American consumers. Consequently, as this district does not keep pace with the increasing output of spelter, it becomes necessary each year to procure a larger proportion from some other source."

June 29, 1905—Page 1269.—Missouri ore market. "So far the imported ore is of a grade that does not compare with the poorest ore of this district, and it is handled only because the output of this district is insufficient to meet the requirements of the smelter capacity of the United States."

January 6, 1906—Page 12.—Zinc. By W. R. Ingalls. "It appears to be recognized that this district is now affording as large an output of ore as can reasonably be expected from it, and further supplies must be looked for in other quarters."

February 3, 1906—Page 234.—The Joplin district (editorial). "It is to be feared that there will be a further falling off in the output of zinc ore this year, even if the price continues high, for the reason that the new openings of ore are not compensating for the exhaustion of the older mines."

Nearly all of the New Jersey zinc ore and some of the ore from other States goes into the manufacture of oxide of zinc.

We may conclude this point by repeating that it is and for years has been notorious in the trade that the United States can not produce enough zinc ore to keep the smelters supplied under normal business conditions, and this situation is pretty clearly demonstrated under the next heading.

II.

ENOUGH ORE IS NOT PRODUCED IN THE UNITED STATES TO KEEP THE SMELTERS SUPPLIED WHEN RUNNING AT FULL TIME.

According to Volume XVI of Mineral Industry, page 899, the spelter retorts in the United States number 89,560. The average consumption of ore is 40 pounds per diem for each retort. The capacity of the retorts in a year of three hundred and sixty days is 644,760 tons of ore. Before used in the retort all blende ore has to be roasted and in that process loses a percentage of weight, so that to keep the smelters in operation it would require not less than 758,000 tons of blende per annum. The largest production of domestic ore was in 1906, when 905,175 tons were produced. Of this production, after deducting only such portion of the New Jersey ores used chiefly for the manufacture of oxide of zinc and not available for spelter, and assuming what is beyond the fact, that every pound of other ore went to the smelters, there remain but 553,960 tons available for the smelters. This shows a balance of 204,040 tons of ore available for spelter to be produced from some source outside of the United States if all the smelters are in operation. The following table gives the foregoing facts in condensed form:

Total spelter retorts in United States in 1907.....	89,560
Average charge roasted ore per retort.....pounds per diem.....	40
Capacity of spelter retorts per year, roasted ore.....tons.....	644,760
Equivalent to.....tons blende unroasted.....	758,000
Total spelter ores produced in United States in 1906 (which was the year of largest production).....tons.....	553,960

Ore required as above.....do.....758,000
Ore available as above.....do.....553,960

Ore which must be secured outside United States.....do.....204,040

It must be borne in mind that the western manufacturers of oxide of zinc have also to be supplied. They purchased in 1907 93,000 tons of

zinc ore, which reduced, by that amount, the ore available for spelter manufacture. It should also not be overlooked that it is only the Joplin ores which can produce spelter at the rate of 1 ton for each 2 tons of ore. The ores from Wisconsin, Colorado, and all other districts are much leaner and must be used in much larger quantities to get the same yield of metal that the Joplin blende will produce.

It has been objected by Joplin interests that all the smelters have not been in operation at one time and that they are producing spelter in unnecessarily large quantities. The answer is that in eight years the consumption of spelter has doubled and that if the ore is obtainable there is no reason to doubt that the use of spelter will continue to increase in volume and in the same proportion. It is absurd to say that the smelter will knowingly make more spelter than the market will stand. It is equally absurd to say that there would be enough domestic ore if the smelters made less metal. Within the past eight years there has been no year in which the domestic consumption of spelter fell appreciably short of the domestic production of spelter, except in the year 1903, when great depression in the metal and all other industries caused the exportation of about 10,000 tons of spelter early in 1904. An accumulation of spelter again occurred with the advent of the panic of 1907. On September 1 of that year there was no stock of spelter. During the four following months practically 40,000 tons accumulated, but no reasonable person can dispute that the trade conditions at that time were abnormal in all industries and can not be attributed to the importation of Mexican zinc ore.

III.

THE JOPLIN DISTRICT IS SAFE FROM FOREIGN COMPETITION WITHOUT A PROTECTIVE TARIFF.

The inland location of the Joplin mines and the proximity of the smelters furnish Joplin with abundant protection.

The smelters of one-half the spelter produced in America are located close to Joplin in the Kansas gas belt. The freight from Mexico to Kansas for each ton of ore averages \$6.50, or about 10 times the Joplin-Kansas rate.

The Joplin ores, which are the richest in the world, average, when concentrated for the market, about 57 per cent zinc contents and are sold on a basis of 60 per cent zinc contents, which is the standard. They often run even higher. The ores from Mexico may average about 35 per cent zinc. They may occasionally run to 40 per cent, while a large tonnage figures at only 32-33 per cent, and some even lower.

C. E. Siebenthal, Assistant Geologist of the United States Geological Survey, writes as follows:

"I have yours of March 15, inclosing clipping from the Joplin Globe, in which the statement is made that Mexican zinc ores imported in 1908 averaged 43 per cent zinc. The mining editor of the Globe evidently arrived at this result by dividing the spelter made from Mexican ores during 1908 by the importation of Mexican ores during that time. This makes two assumptions which are not warranted: (1) That all the zinc ore imported from Mexico is used in making spelter, which is not the fact; (2) that the spelter produced during 1908 was derived from ores imported during that year alone, which takes no account of stocks of ore on hand at the beginning of the year. According to the reports of the zinc smelters to me from 1907 and 1908, the average recovery of zinc from Mexican ore was 27 per cent for 1907 and 30½ per cent for 1908. Assuming that the smelting losses were 15 per cent, this would make the zinc contents of the ore approximately 32 per cent in 1907 and 36 per cent in 1908."

It is thus apparent that to get from Mexican ore the same amount of metal that a smelter can get from 1 ton of Joplin ore he must use more than 1 ton of Mexican ore. Taking, therefore, 1 ton of Joplin ore of the 60 per cent standard, it would take 1½ of the 40 per cent Mexican ore and nearly 2 tons of the 32 per cent Mexican ore to carry the same amount of zinc, according to the assay. There is another advantage in the Joplin ore, viz: The most efficient smelting practice may gain from the Joplin ore a maximum of 87½ per cent of the theoretical zinc contents, while equally efficient smelting of Mexican ore will yield a maximum of but 85 per cent of the theoretical zinc contents. The difference is due to the difference in the character of the ores. Still further, the furnace space required for the lean Mexican ores is obviously greater than that required for the richer Joplin ores to get approximately the same yield. This involves greater cost. The smelting charge of a ton of Joplin 60 per cent ore is \$10.50. To get the same amount of metal from 40 per cent Mexican ore the smelter must treat 1½ tons, at a corresponding cost of over \$15.75. To summarize: (1) The freight rates are against the Mexican ores; (2) The Mexican ores are leaner; (3) It is impossible to gain from the Mexican ores more than 85 per cent of their theoretical zinc contents; (4) there is greater cost in handling the Mexican ore in furnaces.

Let us consider the following examples:

EXAMPLE A.

In May, 1908, competent parties made an elaborate investigation of the cost of mining and concentrating at Joplin and the surrounding camps, which showed that the cost of a ton of concentrates averaged \$28.54, excluding royalty. The average product of the district was 1 ton of galena (lead) to 7 tons of blende (zinc). Lead ore is now worth \$52 a ton, so that the one-eighth ton of lead concentrates in each ton of concentrates is worth \$6.50. Deducting this from the cost gives \$22.04 as the net cost of seven-eighths of 1 ton of zinc concentrates, or \$25.19 for 1 ton of blende, when all profits are deducted.

The blende concentrates average 57 per cent zinc. Spelter would then cost:

One ton of blende	\$25.19
Freight to works	.65
Smelting	10.50
Total	36.34

One ton of 57 per cent ore contains 1,140 pounds of zinc, of which 87½ per cent is obtained as spelter, or 997½ pounds, costing 3.644 cents per pound.

One ton of 35 per cent Mexican ore will give a yield of 85 per cent, or 595 pounds of spelter. To make this at the same cost as the spelter made from Joplin ore as above—3.644 cents per pound—would give a total cost of \$21.68. The costs to be deducted from this are:

Cartage to railroad	\$4.00
Freight to smelter	6.50
Smelting	10.50
Total	21.00

Twenty-one dollars and sixty-eight cents less \$21 leaves 68 cents as the cost of producing 1 ton of Mexican ore, which is impossible, and shows that Joplin needs no protection.

Or, taking the cost of producing a ton of Mexican ore at \$4 (which is the figure put forward by the Joplin interests), the cost of spelter made from it would be:

Producing ore	\$4.00
Cartage to railroad	4.00
Freight to smelter	6.50
Smelting	10.50
Total	25.00

make 595 pounds at a cost of 4.20 cents per pound, or higher than the cost of spelter made from Joplin ore when all profits are deducted.

EXAMPLE B.

Again, take actual market prices of a few days ago and compare the costs of Joplin and Mexican ores:

<i>Joplin.</i>	
1 ton 60 per cent ore, delivered	\$39.75
Smelting cost, 1 ton	10.50
Total	50.25

From this the smelter may get a maximum of 87½ per cent, 1,050 pounds of spelter.

Now, take Mexican ore, running 40 per cent zinc, which is far above the average. Obviously the smelter must buy 1½ tons of this to equal the metallic contents of his 1 ton of 60 per cent Joplin ore.

<i>Mexico.</i>	
1 ton 40 per cent ore, delivered	\$22.50
One-half ton 40 per cent ore, delivered	11.25
Smelting cost, 1½ tons	15.75
Total	49.50

From this the smelter may get a maximum of 85 per cent, or 1,020 pounds of spelter.

On the above figures, it would appear that the cost of Joplin spelter and Mexican spelter, when one had the benefit of the best Mexican ore, stood about as follows: Joplin, 0.478; Mexico, 0.485; giving Joplin an advantage of about one-tenth of a cent to every pound of spelter.

EXAMPLE C.

It takes approximately 2 tons of 60 per cent Joplin ore to make 1 ton of spelter. Therefore the smelter must charge against each ton of spelter made from Joplin ore the following sums in addition to the price of the ore:

<i>Joplin:</i>	
Freight to Kansas, 2 tons, at 65 cents per ton	\$1.30
Smelting charges, 2 tons, at \$10.50 per ton	21.00
Total	22.30

It takes approximately 3½ tons of 35 per cent Mexican ore to make 1 ton of spelter. Therefore the smelter must charge against each ton of spelter made from Mexican ore the following sums in addition to the price of the ore:

<i>Mexico:</i>	
Freight to Kansas, 3½ tons, at \$6.50 per ton	\$21.67
Smelting charges, 3½ tons, at \$10.50 per ton	35.00
Total	56.67

This demonstration shows that there is a natural protection on the Joplin ore of \$34.37 for each ton of spelter, or about 1½ cents for each pound of spelter made from Joplin ores as against the Mexican ores.

In neither case has any charge been made for cartage or expense in buying, but in both these items the amounts are heavily against the Mexican ores.

EXAMPLE D.

Lead-bearing ores of all kinds bear a duty of 1½ cents per pound on the lead contained therein. All Mexican zinc ore carries lead, and it averages about 4 per cent of the contents. The government assayers allow hereon 1½ units in the assay, so that only an average lead content of 2½ per cent is assessed for duty. This amounts to an assessment of 1½ cents per pound on 50 pounds in each ton, or 75 cents duty, collected on each ton, on the average. This item, though small, is a constant burden on the importation of Mexican zinc ores.

IV.

THE REAL SITUATION IN JOPLIN.

The entire zinc industry, including the Joplin producers, felt the depression of 1907-8, but they are in error in ascribing it to the importation of Mexican ore, if, as might have been inferred from the arguments of Mr. S. Duffield Mitchell and Mr. A. O. Ihlseng, they do ascribe it. It is our belief that, had business remained normal during 1907 and 1908, the Joplin ore producers would not have noticed the importations of zinc ore. That it is an afterthought on the part of some of the interested parties to place the cause of poor business in 1907 and 1908 on Mexican ore is clear to anyone who will read the leading article in the Joplin Daily Globe of January 26, 1908. We quote from it the following:

"The panic has proved that the ores of Mexico can not be produced under a 5-cent spelter market, according to the highest authority, and correspondence from a leading reliable source conveys the information that the halcyon days of the Mexican production are of the past—a history and recollection only—that the immediate future has little hopes in store for an early resumption of outputting, while transportation matters have become a serious problem, except through a few months of the summer.

"The producing areas of the Rocky Mountain States practically ceased their production early in the panic; Wisconsin, with Joplin, continuing a small output to the end of the year.

"In writing of the year's record of zinc-ore production, Walter Renton Ingalls, in the Engineering and Mining Journal, concludes his resumé in these words: 'In any event, the experience of 1907 seems to show that these foreign ores are not serious competitors of the American, duty or no duty.' Mr. Ingalls might have added that no importations of ores were made except to supply a demand in excess of the domestic production.

"While the recent panic has proved that Mexican ores can not be produced under a 5-cent spelter market, it might be added thereto that Mexican ores are no competition to superior grade of ores mined in the

Joplin district, at any price for spelter. These ores will be imported only when the domestic supply of zinc is less than the demand of the smelters.

"Another lesson the panic has forced home to the producer of the Joplin district, and to the smelters reducing the ore of this district, is the fact that the market for Joplin zinc ore rules the price of spelter in normal conditions of business. This means that with conservative production the producers of the zinc ore of this district can maintain their own price for their commodity, without reference to any other producing area under the sun, so long as those demands are in harmony with the general business conditions of the country at large.

"At the end of the first half of the year 1907 this average price was \$46.82 per ton, and with anything like normal conditions during the last half of the year the average would have exceeded the banner year of 1905, notwithstanding the fact that the importations during 1907 were more than double the previous year."

This article we believe reflects the more intelligent sentiment of the United States ore producers, including those in Joplin. It should be appreciated, however, that if, as is generally understood, Mr. A. O. Ihseng, who has been foremost in the demand for a duty on zinc ore, is largely interested in the buying of Mexican ore as the agent of European smelters, he and others similarly situated would derive a peculiar benefit from a duty which would cut out the United States as a competitive buyer of Mexican ore, but we do not feel that an agent for foreign ore buyers should receive special consideration from Congress.

Under free trade in zinc ore during 1907 the Joplin district produced 286,589 tons, its maximum production, and during that year the imports of foreign ore reached their maximum tonnage, viz, 109,957 tons. In 1908, when all industries suffered greatly, the Joplin ore production fell off only about 12½ per cent, while the importations of foreign ore fell off over 50 per cent.

But the most significant feature is the manner in which the Joplin zinc ores held up in price during 1908 as compared with the lead ores from that district. The average price in 1907 for Joplin zinc ore carrying 60 per cent zinc (which is the standard of ore on which prices are fixed) was \$44.36. The average price of all zinc ores was \$45.68. The average price of lead ores was \$68.90. In 1908 these ores averaged in price \$36.63, \$34.31, and \$53.90, respectively. It thus appears that the lead ores, protected by a duty of 1½ cents per pound on the lead contents, which is the highest protection the Joplin zinc miners have ever suggested for zinc contents in ore, suffered a greater loss in price in 1908 as against 1907 than did the zinc ores which were admitted free of duty. Joplin ores running 60 per cent zinc fell off in price 17.4 per cent; zinc ores generally fell off 21.4 per cent; and lead ores fell off 21.7 per cent. (See Engineering and Mining Journal, Jan. 30, 1909, p. 297.) This seems in itself to refute clearly the need or value of protection on zinc ore.

We quote again from the Joplin Globe. In the issue of May 2, 1909, we read in large headlines: "District is now producing at the greatest rate in its history. Zinc ore market holds very steady at the \$41 level throughout the week." In the text of the article we find that the highest price paid was \$43.50. It should be borne in mind that this steady buying of Joplin ore and the high range of prices are maintained in the face of absolutely free importation of Mexican ore, stimulated by the threat of absolute prohibition of importation in the near future.

V.

IMPORTED ORE HAS NOT DIMINISHED THE OUTPUT OF THE JOPLIN DISTRICT.

Imports of zinc ore into the United States.

[In tons of 2,000 pounds.]

Source.	1904.	1905.	1906.	1907.
British Columbia.....	2,100	8,561	600	1,157
Mexico.....	(?)	*32,164	*88,903	108,800
Total.....	(?)	40,725	89,503	109,957

* The actual tonnage of ore imported was somewhat greater than this figure, but it included some mixed ore, which, for statistical purposes, has been reduced to the zinc equivalent. This table is based on reports from the smelters of the ore received by them from these countries. (From "Mineral Industry," Vol. XVI, p. 904.)

From this last table it appears that the imports of 1907 exceeded those of 1906 by about 20,000 tons. Nevertheless, as appears by the first table, the Joplin district increased its production in 1907 over 1906 by 17,000 tons, while other districts seem to hold their own also. It would therefore seem clear that imported ore had not interfered with the domestic ore producers.

According to the Department of Commerce and Labor, only 46,351 tons of zinc ore were imported in 1908.

VI.

THE DANGER OF EXCLUDING AMERICAN ORE BUYERS FROM MEXICO.

It is clear that a duty which precludes our smelters from buying Mexican ores would directly result in depressing the price of the ores in Mexico and expose them for sale at a figure far below what European smelters must now pay for them. If the European smelters can get Mexican ore at a less price, they will make spelter for less, and may thus be able to put European spelter on the American market, in spite of the present spelter tariff of 1½ cents per pound, at a figure below that at which our smelters can produce it.

These are dangers which must not be lost sight of. They have been most ably treated in a brief prepared by the Grasselli Chemical Company, of Cleveland, Ohio.

In view of recent great discoveries of cheap fuel in the shape of oil, gas, and coal near the Mexican mining centers, and if Mexico has the great deposits of zinc which the Joplin miners claim, there is grave danger that, with an import duty on ore, smelters will be established in Mexico and will ship spelter by water to New York, Boston, and Philadelphia, and enter it there, in spite of import duty, for sale at a less price than the domestic product can be sold for.

Realizing that it takes 3½ tons of 35 per cent Mexican ore to make 1 ton of spelter, the saving of freight in smelting the ore at the mining centers would be \$21.67 for each ton of spelter, or 1.08 cents per pound of spelter. The freight on spelter from Mexico to the American market is no higher than the freight from Kansas to the same market. There-

fore the result of the proposed duty on ore would be to bring in Mexican ore in the form of spelter and thus defeat the very purpose of the Joplin mine owners. To prevent this and European importation, a prohibitive duty on spelter would be necessary, but such a duty on spelter would create inflated prices of spelter, work hardship to the consumers, and ultimately drive the consumers to the use of cheaper substitutes and completely check the development of the industry. This would necessarily injure the miner as well as the smelter.

The Monterey dispatches of April 29, 1909, report that a concession for the manufacture of spelter in Mexico has just been granted by the Mexican Government.

It will hardly be gainsaid that a restriction of the zinc-ore supply by a prohibitory tariff or the imposition of any duty at all will enhance the price of spelter to the consumers. With the very slight disparity heretofore existing between the price of spelter here and abroad it has been of some advantage to import spelter for the purposes of domestic manufactures and secure drawback on the exportation of the manufactured product. It is not known in what arts this practice has been followed, but the Treasury Department statistics show that drawbacks amounting to \$10,610.13 were paid on the exportation of foreign-made spelter in 1906. If this practice has been profitable in the past, it will become much more profitable in the future if there is an import duty on ore and the price of domestic spelter rises, as it must, to a figure creating a much greater difference between it and the European spelter price. The natural effect of this practice on the American smelters and miners is clear.

VII.

EXPORTATION OF ZINC ORE.

A point has been made of the figures showing exportation of zinc ore from America. The exported ore consists wholly, we believe, of (1) ore sent from the Joplin district for the express purpose of creating a shortage in the domestic supply and thereby enhancing the price, and (2) willemite, a mineral produced from New Jersey ore by magnetic separation. Willemite is used only for one purpose, viz., the making of metal known in the trade as "high-grade" spelter. The demand for this material is very limited, and all that the domestic market will stand is manufactured each year. The surplus willemite is marketed to the best advantage abroad, where it is manufactured into "high-grade" spelter for the foreign market. Outside the items above mentioned, we believe there is no exportation of zinc ore.

VIII.

THE MEXICAN ZINC DEPOSITS.

The zinc ore heretofore imported from Mexico has consisted largely of gleanings from dumps of tailings at the old lead mines and from abandoned lead mines, where the ores were found to run too high in zinc for the uses of the lead smelters. From both of such sources the zinc ore was, from a mining standpoint, cheaply obtained, because the tailings were piled on the surface and had only to be shoveled into carts, or because the mine was already opened and ready for operation. For obvious reasons these two sources of zinc ore supply are but temporary, and are now, as we are advised, rapidly approaching an end. The alleged new discoveries of zinc deposits in Mexico have been greatly exaggerated. We have gone to considerable expense in the past five years in sending experts to search for such deposits in Mexico, but the results have been very disappointing. The known zinc deposits of importance in Mexico are comparatively few, and their working is sure to entail much greater expense than the working of the tailings dumps and the abandoned lead mines. In the majority of zinc-ore propositions in Mexico transportation has been, and for many years will be, a matter of serious moment.

We should think it a simple matter for the committee, through a disinterested expert who is acquainted with conditions in Mexico, to verify the above statements.

There is some pretense that a sincere effort was made to obtain reliable statistics regarding zinc-ore production in Mexico, and the Daily Consular Report of December 7, 1908, is brought forward by the Joplin interests as embodying the results of that effort. This report contained a letter from the United States consul at Chihuahua, Mexico, and purported to give a true statement of zinc-ore mines and costs of production of zinc ore in Mexico. The consul was not an expert, and he took as his authority one H. B. Pulsifer, an alleged mining expert. It now appears from the Chihuahua Enterprise of January 2, 1909, that the request for the consul's report emanated from Congressman Hackney, of the Joplin district, and that Pulsifer's expenses were paid by the Joplin mine owners.

IX.

SPELTER.

Spelter is the trade name of metallic zinc. It is made in the form of slabs. According to Mineral Industry for 1907, about 66 per cent of the spelter is used by the galvanizers, about 17 per cent by the brass makers, and 13 per cent by the sheet zinc makers. Its present price is a little under 5 cents per pound at St. Louis.

X.

ORE-BUYING.

The rule in the trade is that the price of ore varies with the price of spelter, and the smelter pays for his ore between 75 per cent and 80 per cent of what he gets for his spelter. If spelter sells for, say, 5 cents per pound, the smelter must pay for Joplin ore, assaying 60 per cent zinc contents, about \$40 per ton. When spelter sells at 6 cents a pound, he must pay about \$48 per ton for his ore. This is the rule under normal conditions. There is a variation of \$1 for each 1 per cent variation in zinc contents up or down.

To explain the calculation, it may be assumed that the smelter gains from the ore a maximum of 87½ per cent of the metallic contents. Taking, then, 1 ton of 60 per cent ore containing 1,200 pounds of metal, the smelter could gain about 1,050 pounds of spelter, or about one-half ton. This he could sell at a 5-cent market for about \$52.50. Seventy-six per cent of the sum would be about \$40, the amount to be paid for 1 ton of ore.

The smelter, out of the 24 per cent left, i. e., \$12.50, after paying for the ore, must pay freight on ore and spelter, smelting costs, interest on investment in plant, etc.

XI.

JOPLIN ROYALTY AND COSTS.

The brief of Otto Ruhl, editor of the Joplin Globe, says the average cost of Joplin ore is \$37.29 delivered. He apparently would deduct 50 cents for hauling and 66 cents freight and get a result of \$36.13 for the average cost in Joplin bins.

The brief of Messrs. Robinson and Caulkins, of Joplin, states that the average cost of mining Joplin ore is \$37.78.

The brief of the Granby Smelting and Mining Company states that the cost of mining Joplin ore is \$35.

A very careful investigation of this subject has shown that the average cost of Joplin zinc ore is but \$25.19. The discrepancy is largely accounted for by two items improperly included as costs by the Joplin brief writers: (1) The royalty of approximately 15 per cent on the gross selling price, which is paid to the landowner and which is obviously a profit, and (2) the allowance for the lead concentrates amounting to about one-eighth of a ton in each ton of concentrates, worth \$6.50. Fifteen per cent royalty on a selling price of \$40 is \$6, so that the total of the two items erroneously included in the costs of the Joplin brief writers is \$12.50.

Taking, then, our figures of \$25.19 as the real cost of a ton of zinc blende in Joplin bins and adding the items for lead profit and royalty, we have \$37.69, which tallies approximately with the figures of Robinson and Caulkins and exceeds the figures of the two other briefs.

The fallacy of figuring the royalty as a cost arises from the circumstances that the owner of the fee and the owner of the mining lease are usually separate persons. If they are the same person, it would appear clearly that the item of royalty would be included in the mining profit.

XII.

A PROTECTIVE TARIFF ON ORES IS ECONOMICALLY UNSOUND.

A protective tariff on ores is equivalent to a premium on the speedy exhaustion of certain natural resources, which, once used, can never be reproduced. This objection has been urged against a duty on lumber which in time will grow again, but it applies most strongly to ores which do not grow.

Furthermore, if, as is claimed, the cost of mining in Joplin is greater than formerly, and if the call for protection is based on such claim, what limit can there be to the rate of duty? The cost of mining, as the miner is forced to deeper or leaner ground, is bound to increase. The theory of protection is to build up industries which can be helped. It is a prostitution of the theory of protection to apply it to an industry which from natural causes must inevitably work its own destruction. Mines are unlike factories. There must come a time when, with all the protection in the world, there is nothing left of a mine but a hole in the ground. Surely it can not seriously be claimed that the Government must follow the Joplin mines with a wall of protection reaching to the center of the earth. The truth is that the only legitimate protection that can be given to mines is the protection on the products. Zinc metal has been protected, and this has afforded protection to the zinc mines. The zinc-metal industry, with the protective tariff on zinc metal, has been the sole cause of the development of the Joplin zinc mines. Without the protection on the metal the mines would never have been opened. Mine owner and smelter have shared, but not equally, the benefits of the duty on spelter, most of the benefit having gone to the miner. A higher price for spelter means a corresponding increase in the price of ore and all possible additional profit is absorbed exclusively by the miner. It is quite without reason that the mine owners say they are without protection while the smelters are protected. A cutting off of the duty on spelter would quickly bring this home to every zinc mine owner in America.

CONCLUSION.

Zinc ore, a raw material, free of import duty for fifty years, is now scheduled for an absolutely prohibitory duty while the United States is unable to produce enough of this ore to meet the demand. The estimates of revenue under the Payne bill figure nearly \$1,000,000 as the revenue likely to accrue from zinc ore on importations. This, while showing that a shortage of domestic ores is contemplated, is utterly beyond reason so far as the revenue item goes, for no ore can be imported at that rate of duty. The estimates are also misleading as to revenue under the existing law, for, while certain duties were collected, they were paid under protest, and the court has ordered a reliquidation with no duty. The estimates of the Finance Committee show that the proposed duty reaches an approximate ad valorem duty of 84 per cent, as against free entry for the past fifty years. It is believed that there is no other case similar to this in the entire Payne bill, and the feature is thrown into more glaring relief by the proposed large reduction in the duty on spelter and sheet zinc. (Dated Washington, D. C., May 10, 1909.)

Mr. SMOOT. Mr. President, I have given a great deal of time to this paragraph. I have had before me, as a member of the Finance Committee, all of the interests—the miners, the smelter men, the purchasers of spelter and people interested in oxide. I think I have given more time to this particular paragraph than to any other in the whole bill.

Mr. BURTON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. Certainly.

Mr. BURTON. I wish to ask a question for information: Did the manufacturers of galvanized steel sheet and iron sheet, or galvanized iron, appear before the committee?

Mr. SMOOT. At no meeting were the galvanized-iron men present.

Mr. HUGHES. Mr. President—

Mr. SMOOT. I yield to the Senator from Colorado.

Mr. HUGHES. I should like to inquire whether at any time anybody claiming to represent those who mine zinc in Colorado were either before the committee or were heard upon the graduation of the duty as set forth in the committee's amendment?

Mr. SMOOT. I can not call to mind now any miner who appeared before the committee, but if they did not it was not because they did not have a chance, because in the public press notices were given of the meetings and intended meetings. I think as far as the miners generally were concerned they were very well represented.

Mr. HUGHES. I ask the question because—

Mr. SMOOT. I will say further to the Senator that in several of the hearings we had before us many of the Senators inter-

ested, and the senior Senator from Colorado was present at different times.

Mr. HUGHES. Did he represent the miners? That is my question.

Mr. SMOOT. From the position he has taken right along, I should think he did.

Mr. HUGHES. I know that the amendment as framed by the committee is not satisfactory to those who dig the ore, especially the low-grade part of it. It gives the higher duties to the ore that is needed least and gives the lower duty to the ore that needs protection most. That is the objection I have had presented to me by them when they heard of the form of amendment reported by the committee.

Mr. SMOOT. I think, if the Senator will wait until I finish, I will explain to his satisfaction the reason of this graduation. I am just as much interested in the mining of zinc ore as the Senator from Colorado, and if the mining of zinc ore was exactly in the same condition as the mining of lead ore, I would be occupying the same position as the Senator from Idaho to-day.

Mr. HEYBURN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. Certainly.

Mr. HEYBURN. Wherein does it differ?

Mr. SMOOT. I will explain to the Senator wherein it differs.

Mr. HEYBURN. It does not differ in Idaho.

Mr. SMOOT. I will explain to the Senator wherein it differs; and I think as far as that is concerned, we are here legislating for the whole country and not for any one particular place.

Mr. HEYBURN. Idaho is a part of the country.

Mr. SMOOT. Absolutely, and so is every other State. Therefore we are legislating to take care of Idaho as well as all other States.

With this graduated scale I claim that Idaho will not be hurt, or Colorado or Utah. I will tell you wherein there is a difference. There is a difference in this particular, that in the zinc ores there are two classes of users—one is the oxide manufacturer and the other is the spelter manufacturer.

Now, Mr. President, I want to say that the low-grade ores according to the graduation proposed allows all ores below 10 per cent to come in free, and in so doing can hurt nobody, no State, no miner in the United States.

Mr. HEYBURN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I yield.

Mr. HEYBURN. There would not be any mine to hurt in Idaho if you let the Mexican ore in here on the basis you propose. There would not be any zinc mines in Idaho. They probably would be raising wheat down in the Pelouse country.

Mr. SMOOT. I can explain it to the Senator in detail. Ten per cent ore means 200 pounds of zinc contents to the ton. Spelter to-day is worth \$5.30 per hundred, so the 200 pounds would be worth \$10.30 when converted into spelter. The Senator does not think for a moment that we can pay \$6.85 a ton freight and pay for the smelting charges of the ore for \$10.30? It will cost more than \$10.30 for freight and smelting. Therefore no mine producing 10 per cent ore in the United States would be hurt by allowing 10 per cent ore to come in free.

There is another reason why the committee decided to let 10 per cent ore in free. Copper ores are imported into this country carrying sometimes as high as 10 per cent of zinc. In the smelting of copper ores it is impossible to recover the zinc, so the committee thought it was not right to have copper ores smelted in this country with 10 per cent of zinc content pay a duty when none of the zinc was recovered, so they decided that it would hurt no interest to allow 10 per cent zinc ores to come in free.

Mr. KEAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Jersey?

Mr. SMOOT. Certainly.

Mr. KEAN. In other words, as I understand the Senator, if the 10 per cent exception was not made there would be a duty on copper ore that contained zinc.

Mr. SMOOT. They would have to pay the duty on the zinc contents, at whatever rate we may fix.

Mr. KEAN. But, as I understand it, the zinc content of 10 per cent is so small that in the smelting it is impossible to retain the zinc.

Mr. SMOOT. It is not a question of being so small.

Mr. KEAN. It goes off in fumes.

Mr. SMOOT. It is a question of the mode of smelting that the zinc goes off into fumes. Now, referring to ores above 10 per cent and less than 20 per cent, we decided the duty ought to be a quarter of a cent a pound on the zinc contents.

I will state the reason for that. We wanted to put a duty on that class of ore sufficient to prevent it being brought into the country just across the border and concentrated and shipped to the smelter as concentrated ore.

Mr. HEYBURN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. Certainly.

Mr. HEYBURN. Are we to understand that the first 10 per cent of the zinc in the copper ore would all be lost in smelting and go off in fumes?

Mr. SMOOT. Absolutely all of it in copper ores.

Mr. HEYBURN. So, if the ore would have only 10 per cent zinc, it would not then have any zinc in it at all?

Mr. SMOOT. You would not recover any zinc.

Mr. KEAN. Unless some method was discovered by which it was done.

Mr. HEYBURN. If it had 15 per cent zinc, it would still lose 10 per cent and have 5 per cent left?

Mr. SMOOT. The history shows that copper ores shipped to the United States for smelting do not carry 15 per cent in zinc, and I am only speaking of copper ores.

Mr. HEYBURN. The Senator is speaking of history. I can without any difficulty show him that some copper ore has more than 10 per cent.

Mr. SMOOT. The only protected copper ores that come in have 10 per cent of zinc in them.

Mr. KEAN. The Senator does not mean protected copper ores.

Mr. SMOOT. I mean protected in this way, by compelling them to pay a duty on the zinc that they do not recover.

Mr. HEYBURN. Oh, I see; this amendment is in the interest of the smelters.

Mr. SMOOT. It is in the interest of no one except the American workingman.

Mr. HEYBURN. He would not be benefited by vulcanizing this 10 per cent of zinc out of copper ore. How is he benefited?

Mr. SMOOT. If there was 10 per cent of zinc in the copper ore and the smelter was made to pay a cent a pound—

Mr. HEYBURN. Who would pay?

Mr. SMOOT. The smelters who imported their ores.

Mr. HEYBURN. I am not worrying about those miners if they are in some other country.

Mr. SMOOT. Nor am I.

Mr. HEYBURN. How are the American miners compelled to pay for it?

Mr. SMOOT. If the Senator will only wait a minute, I will tell him. If in the copper ore there was 10 per cent of zinc and the smelter had to pay a cent a pound on the zinc contents, every ton of that copper ore would have to pay \$2 for the zinc contained in the copper ore that could not be recovered.

Mr. HEYBURN. Then the foreigner would have to pay it.

Mr. SMOOT. Wait a minute. Certainly the American smelting people would have to pay it, provided it was smelted in America, and if a provision is placed in this bill compelling them to pay \$2, the ore would go to some foreign country to be smelted, because that country would have the advantage of the American smelter of \$2 a ton. Therefore, instead of smelting that ore in this country, it would be smelted in a foreign country. That is how the American workingman gets the advantage in the smelting of this class of ore.

Mr. HEYBURN. I would be glad if the Senator would tell us where the American ore producer comes in—whether he would not have the market after we get these other people out of it?

Mr. SMOOT. There has never been a pound of zinc ore yet mined in America that was of sufficient value to profitably smelter or concentrate as in the Joplin district that has not found a ready market in this country, I care not how many tons mined. The fault that is found here is that there is not enough ore mined in this country, and the opponents of this measure claim that they should be allowed to go to Mexico to purchase ores, because they can not get ores produced in this country in sufficient quantities.

Mr. HEYBURN. I would ask the Senator, then, if he thinks it would be well—

Mr. GUGGENHEIM. Mr. President—

The PRESIDING OFFICER. Will the Senator yield, and to whom?

Mr. SMOOT. Certainly; to either Senator.

Mr. GUGGENHEIM. The ore in question, to which the Senator from Utah refers, I judge from what was said to me, is an exceptional ore. This copper ore is mined in South America and, containing zinc, does run exceeding 10 per cent zinc. The Senator from Idaho need have no fear that the copper ore in his

State contains any zinc, for no such ore is known to exist at this time. However, under the circumstances, I think it is advisable to have the copper ores mentioned imported to this country, rather than to have them go to Europe, particularly Germany and England, where there is extreme competition for that class of material.

Mr. HEYBURN. I was just wondering, hearing the argument of the Senator from Utah, whether it would not be better for us to consider first how we can take care of the product of zinc of other countries, and then, should there not be enough brought in, mine some of our own.

Mr. SMOOT. In this bill we are taking care of the zinc product of this country.

Now, in relation to the ores carrying 20 to 25 per cent of zinc—

Mr. HUGHES. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. Certainly.

Mr. HUGHES. Before the Senator leaves that point, I wish to inquire whether it is his understanding that all of the ore bearing less than 10 per cent is copper ore, and if he does not know it to be true that there is much more zinc under 10 per cent than there is in copper ore brought in?

Mr. SMOOT. But it is a question of smelting. You can smelt the lead ores that have zinc and recover the lead and zinc, but you can not recover the zinc in copper ores.

Mr. HUGHES. But you recover the zinc contained in the lead ore.

Mr. SMOOT. Certainly, and recover the lead, too; but in the copper ores you can only recover the copper and not the zinc.

Mr. HUGHES. Then why does not the committee exclude copper ore bearing 10 per cent zinc which can not be recovered, if smelting is now conducted in that way, but which can be and is recovered—

Mr. SMOOT. Copper ore is on the free list to-day.

Mr. HUGHES. I understand.

Mr. KEAN. That is where zinc ore ought to be.

Mr. SMOOT. That is the Senator's opinion, of course.

Mr. HUGHES. That is the opinion of the free trader from New Jersey, but not of the tariff-for-revenue Democrat from Colorado.

Mr. KEAN. I beg the Senator's pardon; I did not hear what he said.

Mr. HUGHES. I said, in the opinion of the free-trade Senator from New Jersey, zinc ought to be on the free list, but it is not where the tariff-for-revenue Democrat of Colorado would place it.

Mr. KEAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Jersey?

Mr. SMOOT. Certainly.

Mr. KEAN. Mr. President, I do not know whether the Senator from Colorado is a free trader or a tariff-for-revenue Democrat. I know what he always votes for. It is to put the highest possible duty on every product of the State of Colorado.

Mr. HUGHES. Not yet. I will say, however, that I do object to a classification of a duty which is pretending to give some service to the State and yet by its classifications largely destroys it, because I know that in the State of Colorado there is some zinc and some lead and a little silver, and that makes it possible to operate the mines. If the value is taken out of any one of the three components, they can not be operated. I know, further, that there is no industry in America which pays as high duties upon everything it uses, including its powder, its iron, its steel, its fuse, and everything else, as the mining industry of Colorado.

Mr. SMOOT. Mr. President, I know positively that the graduated scale here is not going to hurt the miners of the Joplin district, and it is not going to hurt the miners in Colorado, nor in any other State in the Union.

Mr. HEYBURN. What is it for?

Mr. SMOOT. I will tell the Senator what it is for. It is for the very purpose of allowing the oxide people who use the low-grade zinc ores to get their zinc ores from Mexico if they can not purchase them in the United States.

Mr. HEYBURN. The state engineer and geologist says that there are a million tons of ore in one district ready for rining if we can simply get the Mexican put to bed.

Mr. SMOOT. The Mexican never shipped a pound of ore here until a few years ago.

Mr. HEYBURN. He did not know that he had it.

Mr. SMOOT. Of course he did not know that he had it, and the reason why we are putting a duty to-day upon the ore is

because of the very fact that he has it and is shipping it here and displacing American ore. As far as I am concerned, I want the duty so high that he can not interfere with any miner in this country, and at the same time I do not want to destroy any industry in this country. If it were not for the oxide people requiring low-grade ores, I would be exactly in the same position as the Senator from Idaho, who claims it is necessary to have 1 cent a pound on the zinc contents no matter what percentage of zinc the ore may carry.

Mr. HEYBURN. I should like to know if the Senator then candidly proposes to let in that oxide ore free.

Mr. SMOOT. They will never ship that oxide ore here if they can get enough ores from the United States.

Mr. HEYBURN. But then—

Mr. SMOOT. But to-day they can not get it; it can not be purchased. The only place they can purchase it is in Mexico.

Mr. HEYBURN. Four years ago they did not know that it was in Mexico.

Mr. SMOOT. Many of the mines that they used to purchase from in Wisconsin they can not purchase from to-day, because conditions in the mines have changed. The ore is mined to-day below water level and the ores are sulphide ores and can not be used to manufacture oxide of zinc. This will be the case in almost every mining district in the United States.

Mr. HEYBURN. I should like to ask the Senator candidly, then, if he does not propose to let in this Mexican ore because of its being oxide?

Mr. SMOOT. I propose that the ores that will not come in competition with ores that go into spelter shall come in here at the duty we have provided.

Mr. HEYBURN. That is the old story; I know just where they stand. They propose to cut our zinc market in two, because it is just about one-half on one side and one-half on the other. And they propose to give it to some interest that owns the mines in Mexico. They are not Mexicans. I know who own them.

Mr. SMOOT. The statement made by the Senator is drawn from his own imagination. No statement of that kind has ever been presented to the committee. No thought has ever come to the minds of the committee, and no smelter man even has suggested it.

Mr. HEYBURN. They generally do not suggest it.

Mr. SMOOT. They certainly suggest wherever their interests require.

Mr. DIXON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Montana?

Mr. SMOOT. Certainly.

Mr. DIXON. I suggest, in connection with what the Senator from Utah has stated, that in copper ores, carrying a small per cent of zinc, the whole percentage of zinc is lost in smelting, and it would not be a matter of justice to charge the copper ore up with duty on the zinc contents, amounting in the case of 10 per cent zinc to \$2 a ton, and then lose the entire contents in smelting. I want to suggest to the Senator from Idaho [Mr. HEYBURN], if he does not know it as a matter of fact, that in all the low-grade lead ores that carry 8 or 10 per cent of zinc, the smelters put on a penalty for the zinc contents. Instead of being added to the value of the ore, they always penalize lead ores that carry 8 or 10 per cent of zinc.

Mr. HEYBURN. With the consent of the Senator from Utah—

Mr. DIXON. That is what they do. They penalize at the rate of \$1 a ton for each unit of zinc.

Mr. HEYBURN. I will answer the question that was suggested by the Senator from Montana. In the first place, what copper ores are shipped into this country that would come under this provision?

Mr. DIXON. I could not specify them, exactly.

Mr. HEYBURN. There are not enough of them to make figures for.

Mr. DIXON. I think the Senator is mistaken. I have always understood that there was a large importation of copper ore from Chile that carries a low per cent of zinc, which was lost in smelting, and which if not brought into this country to smelt here would go to European smelters.

Mr. HEYBURN. They would go up the chimney of the smelter. I know all about penalizing for zinc. We lived under those conditions for twenty years, when every calculation that was made as to what a carload of ore would pay in the net, we had, of course, to make deductions for the zinc; but that has passed.

Mr. DIXON. In some ores.

Mr. HEYBURN. It is in certain iron ores.

Mr. SMOOT. I know that it has not passed, because we are penalized to-day for every unit of the zinc in the recovery of ore in our State. That is the case; and it has been for years.

Mr. President, the committee also decided that there should be a proper differential between what was charged upon the ore and the spelter.

We went into the question carefully, and from all the testimony we decided the differential on the zinc in blocks or pigs should be one-third of a cent, or one and one-third of a cent on zinc spelter; on sheets, three-fourths of a cent; and so reported the amendment. The changes from the House bill were made by adding the differential, which was absolutely necessary in order to allow the smelting of the ores in this country and to prevent shipments of spelter from foreign countries.

Mr. President, I do not know that I have anything more to say on this subject, but I will add that I feel that the committee have taken all interests into consideration, not the mining interests alone, not the smelter interests only, not simply the owner of the mine, but all interests—the oxide manufacturers, the spelter manufacturers, the miner, and everyone who is interested in this question. So far as it was possible, we have given the Senate the facts as they were presented to us, and we hope and trust that the Senate will support the amendment as offered by the committee.

Mr. BURTON. Mr. President, I would say to the Senator from Utah that I have given my attention to opposing the duty on zinc ore, but it seems to me that it would be manifestly unjust to leave the differential between zinc ore and zinc in the pig at one-third of a cent a pound. I will ask the Senator from Utah is it not true that the actual amount of zinc obtained from a theoretical ton of zinc as represented by ore is only 87½ per cent?

Mr. SMOOT. That is absolutely true. I have always understood it was 87 per cent, but some say it is 87½ per cent. Granting, however, that it is 87 per cent, then it is also true that that recovery of ore is the same in all countries; in other words, if the ore is smelted in Germany, all they recover there is 87 per cent.

Mr. BURTON. I would suggest to the Senator from Utah that this is not really the question. The question is, At what price can zinc spelter be produced abroad? Is it not probable, with this high duty, which will be prohibitory on Mexican ores, that those ores and others will go to Europe to be smelted, and so be produced at a lower rate than ever before, and that one-third of a cent per pound would be absolutely inadequate?

Will the Senator from Utah state any other case in which the differential between the crude material or the ore and the finished material, the pig zinc or the spelter, is so small as one-third of a cent a pound either in the tariff of the United States or in the tariff of any other country?

Mr. SMOOT. Mr. President, we considered that question very thoroughly. I had the testimony of the smelter men themselves as to what the real difference was between the smelting of zinc ore in this country and abroad; and it runs all the way from 13 cents to 33 cents. Some claim that we can smelt zinc ore in this country cheaper than it can be smelted at any other place in the world. They give as the reason the fact that in Oklahoma and in Kansas, where most of the smelters are located, they have the cheapest gas on earth, and therefore can smelt ore as cheaply as can be done in any other country. But, Mr. President, the greater part of the testimony did not show that to be the fact. The committee wanted to allow a rate of duty sufficient to protect all interests, and decided a differential of one-third of a cent was necessary.

Mr. GUGGENHEIM. That is per pound, I believe?

Mr. SMOOT. That is per pound.

Mr. HEYBURN. One-third of a cent.

Mr. SMOOT. One-third of a cent a pound.

Mr. HEYBURN. I would say to the Senator from Utah that no such differential as that would cover the difference between the cost of the raw material and the finished material, in the expense of obtaining it or in maintaining a differential between the foreign cost and the domestic cost, or in the markets that will work out practically. It is conceded that the cost per ton is \$10.50 for the reduction. All seem to agree upon the fact that it is \$10.50 a ton of ore, which is very much higher, manifestly, than would be the foreign cost, which is estimated to be \$7.28 to \$8 a ton.

Mr. SMOOT. Mr. President, I will state to the Senator from Idaho that I talked with the smelter men themselves upon the subject. We took into consideration what the freight was from Mexico to our smelters, and what the freight rate was from the Mexican mines to Germany, and the freight back upon the spelter from Germany. We also took into consideration

the freight rate from the smelter to the place of sale, or, in other words, to the centers where the spelter is used; and there was no case in which it amounted to more than one-third of a cent, as I said before. So I feel absolutely certain that the spelter people will not be hurt with this differential of one-third of a cent per pound.

The PRESIDING OFFICER. The question is on the substitute offered by the Senator from New Jersey [Mr. KEAN] for the amendment proposed by the committee.

Mr. WARNER. Mr. President, I am reluctant to occupy the time of the Senate even for a minute, and I should not do so were it not for the deep interest which the people of my State have in this question; deeper, I think, than in any other schedule in the pending tariff bill, for the reason that in what is known as "the Joplin district," composing portions of Missouri, Kansas, Oklahoma, and Arkansas, 70 per cent of the spelter which is used in the United States is produced. Over 11,000 men, nearly all Americans, are engaged there in the mining industry. They are among the best paid laborers in the world; they are independent laborers; they are home builders, having their permanent residence in the mining district.

This and the importance of the zinc-mining industry in my State is enough to make me say something. But, Mr. President, back of that there is a bit of sentiment, from the fact that my father was a day laborer in the mines in Wisconsin, and as a boy I worked in and about the mines; and the deepest regret of my life, I think, was when, well-nigh three score years ago, I parted company at the mouth of the shaft from the old blind horse that I had for two years led in the winters' snows and the summers' suns in operating the whipsey-derry of a lead mine. I have therefore some familiarity with the mining industry.

And I have been hopeful that justice would be done to every section of this country in the matter of the duties on zinc. I have believed, and believe now, that the Committee on Ways and Means of the House of Representatives should have acceded to the claims of the miners, and that the committee should have given them the same protection that it gave the lead industry. The Ways and Means Committee, after careful consideration, placed the duty on zinc ore at 1 cent a pound. The bill giving that protection came over to the Senate. In my judgment, the Senate Committee on Finance should have reported the duty at 1 cent a pound on the zinc contents contained in the ore. It may be that I am overzealous on behalf of the men who work in the mines. Yet, while not getting all that I believe they should have gotten, I do not think any interest has received more careful consideration at the hands of the committee than has the zinc industry, taking into consideration even the men who are fighting it to-day—the oxide-zinc people and the smelters—who are here fighting against the granting of protection to the men who work in the mines, yet always looking for and demanding protection to their own interests.

Mr. President, I am no better protectionist than many other Republicans; but, sir, for nearly as long as the children of Israel wandered in the wilderness I have fought the battles of protection in Missouri against what seemed to be a hopeless majority, and I have yet to learn that free raw material is a cardinal principle of faith of the Republican party.

I regret that my genial friend, the distinguished Senator from New Jersey [Mr. KEAN], has appeared in a new rôle. The amendment which he has offered does not propose free trade; nor would it afford protection; but, in the language of the Good Book, it is neither hot nor cold, offering, as it does, the munificent sum—I will not go through with all the figures before me—of 50 cents a ton for certain grades of ore.

Mr. KEAN. It is \$4 for the Missouri ore.

Mr. WARNER. Four dollars—most generous! But the Senator must know that no ore of that grade is imported. If there is a State in this Union that has its industries protected, New Jersey is that State. I am not here to complain of that; I am not here to complain because the industry of any State in this Union is protected, but I am here to demand that no industry in my State be penalized because it comes in conflict with the oxide interest of New Jersey or the galvanized-iron interests of Ohio or any other State. I think we have a right to ask for imposition on imported zinc ore of a duty that will equalize the wage scale in the zinc mines of the United States with that in the mines of Mexico—the rule of protection that has been our guide in determining the rate of duty applied to other industries affected by the pending bill.

I had laid out a good many papers here for a set speech, with statistics, but, if you will take my word for it without the statistics, I think it can be absolutely demonstrated that the duty of 1 cent a pound proposed by the committee is not an adequate

protection under the rule which, I think, we have heard proclaimed many times in this Chamber during the past month. That is "in all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between cost of production at home and abroad, together with a reasonable profit to American industries." I demand the application of this rule that a square deal may be given to the zinc industry of Missouri.

In Mexico they dig 45 per cent zinc ore out of the side of the mountain, with a tunnel, using not a cent's worth of machinery, and at an expense of approximately \$2 a ton. They carry it on the backs of burros and by ox teams, or on the backs of peons a few miles, and place it upon the railroad train. It costs them only \$6.50 a ton to get that ore from the place where it is put on the train to the smelter in Kansas, Missouri, or Oklahoma; and to-day under this rate of duty 35 per cent Mexican ore has the advantage over 55 per cent Joplin ore. However, I shall not go into that.

It has been said that we have had no protection. The fact is we thought we had protection for zinc under the Dingley bill, and the Treasury Department thought we had protection amounting to 20 per cent ad valorem. The Treasury Department ruled to that effect in construing that act, but the importers sought to have that ruling set aside, and they succeeded in doing so in the courts. The case was decided in the district court, and, in January, in the court of appeals, in favor of the smelters; and up to the 20th of last month we had returned to the smelters in refunds out of the duties they had paid over \$73,000. The importation of zinc ore continued, and had the 20 per cent ad valorem been collected upon the imports the amount collected would have equaled substantially the duty imposed upon such imports by the pending bill as sought to be amended by the pending amendment.

It was not until 1904 that a pound of Mexican zinc ore was shipped into the United States, and then there were shipped from Mexico 2,264 tons. In 1905 there were shipped from that country 18,074 tons, and in 1906 54,991 tons. It was then that the miners in the Joplin district began to see that they were being swamped with this foreign ore. It was brought here not for the purpose of being manufactured into oxide, but it was brought here by the smelters to be smelted to spelter, in competition with our own ores. In 1907 102,000 tons were imported from Mexico, and in 1908, when we had a slump, 46,000 tons.

Let me give a few figures more to show the importance of this matter. I became a little curious to know what our disinterested smelter friends were doing this year, in view of the prospective legislation putting a duty upon zinc ore. I find that in January they shipped 312 cars, or 9,360 tons, of Mexican ore. For February I have not the figures. In March they shipped 258 cars, or 7,740 tons; in April, 350 cars, or 10,500 tons; in May—mark it—531 cars, containing 18,585 tons.

At the rate of this importation from Mexico they would ship here in a year an amount equal to 223,000 tons, an amount equal to the entire output of the Joplin district last year, the chief zinc-producing section of the country, producing, as is suggested by the Senator from Utah [Mr. SUTHERLAND], about 70 per cent of the zinc ore of the United States.

According to the figures, the ore at the border cost the smelter, upon his own valuation, only \$8.50.

There is one other item to be taken into consideration, and it has an influence in this case. The freight rate is \$6.50 a ton for shipping zinc ore from any points of shipment in Mexico to the smelter in Oklahoma or Kansas. The railroads have not been idle. The annual shipments, according to the May figures, are 223,020 tons. Multiply that by \$6.50, and, if my computation is correct, you have the comfortable sum paid to the lines of railroad for freight upon that ore of \$1,449,000. I say to you, Senators, this freight rate of \$6.50 will not be maintained. The railways will want this long haul, and they will adjust their rates to meet changed conditions so as not to lose this business.

I have no complaint to make of anything. I would have preferred the 1-cent rate. But I was looking, possibly, at one interest too much, just as a lawyer in trying a case differs from the judge upon the bench.

The committee investigated the entire question, consulted with the oxide people, the smelters, the producers, and the importers of copper, and came to the conclusion as reported here. Perhaps I ought to say that I am for a rate of 1 cent or nothing; but I am here to-day to say that I believe the adjustment made of this question by the Committee on Finance will not injure any American mine or industry, but will preserve to the American miner the wage advantage which he now possesses, and I shall therefore support the committee's amendment.

Mr. GUGGENHEIM. Mr. President, having the honor to represent in part the State of Colorado, which is interested in this schedule, I hope the Senate will not adopt the amendment proposed by the Senator from New Jersey [Mr. KEAN].

Colorado, as I previously stated, excluding the zinc-oxide product of New Jersey, is the second largest producer of zinc ores in the United States. Having had some personal business experience in the Republic of Mexico, residing some time there, also having mined in that country up to a few years ago and knowing the conditions prevailing, I trust that the producers of the United States will not have to longer meet the keen competition of the producers in the Republic of Mexico.

The Senator from New Jersey has made the statement that heretofore no duty has been imposed on zinc ores. That is true; but it has not been necessary to impose a duty on these ores up to the present time.

The zinc-ore shipments began coming from Mexico, as was stated by the Senator from Missouri [Mr. WARNER], in 1904, reaching a point when, in 1907, they amounted for that year to something like 110,000 tons.

From what I know of mining conditions in Mexico, its producers can just as readily ship 250,000 to 300,000 tons of ore annually from that Republic. Knowing mining conditions in the West, due in part to the higher wages we pay the miners in the mining of zinc ores, which are the same wages paid as in the mining of lead ores, I know such importations would be a menace before long and would probably close a great many zinc properties in the Rocky Mountain mining region if we do not impose a duty sufficient at least to protect the interests of the American producer and enable him to continue paying the present wage schedule, which at the best is not too remunerative for the American miner.

Personally, I should like to have seen the rate 1 cent per pound on all grades of zinc ore, but as the Committee on Finance have in their wisdom seen fit to make a slight reduction from the rate fixed by the House, I am willing to accept the rate now offered, feeling that it will not work any great injury to the mining interests of the West.

The zinc industry in Colorado and in the Rocky Mountain section is in its infancy. It is not so in Missouri, for zinc ores have been mined there for a great many years. We were obliged to take up the mining of zinc ores in Colorado and in the other Rocky Mountain States on account of the low price of silver. Many silver mines have been closed because of the low price, which at the present time is about 52 cents an ounce, a drop of 13 cents in the past two years. Now, I ask the Senate not to menace our zinc industry, which is in its infancy, but to give the State and the West all the protection to which they are justly entitled.

Within a few years zinc smelters have been established in Colorado. None had existed up to a few years ago; neither had the magnetic separators been installed, which are developing the zinc industry very rapidly and extensively. Therefore I want to say to those people now engaged in zinc smelting in Illinois, Kansas, Wisconsin, and elsewhere that they need not fear that they will not obtain sufficient ores in this country. The ore exists. All we want is a chance to develop it. The only reason some of those smelters to-day are making the keen and active fight to bring in the ores from Mexico practically free is the fact that they have gone to that Republic and made extensive and cheap contracts. Zinc ores exist there in large quantities, and as there are no zinc smelters and no home market the American buyers have gone there and made advantageous contracts.

It is therefore natural that they should be here to-day protesting against even a slight duty on zinc ores. If we are given a chance to develop the zinc industry in the Rocky Mountain region it will not be necessary for the Middle West smelters to go to Mexico for ores, as they will be able to get all the necessary ores in this country, and thereby enable us to build up our home industry and also protect the American miner.

The present contention of the smelting companies reminds me of the trouble that the Congress had in framing the tariff bills of 1890 and 1894. The lead-smelter owners at that time made the statement that it was necessary to import lead ore from Mexico for fluxing purposes. It was then stated by the American producers that with a proper tariff there would be sufficient lead ore produced in this country. That has proved to be the fact, for the reasonable duty imposed then upon importations of lead ore has stimulated lead-ore mining. I now make the statement unequivocally that such will be the result in the zinc-mining industry in this country if my appeal for a fair duty on zinc ores is granted and Colorado and other Western States accorded their just rights.

Mr. BURTON. Mr. President, I do not desire to detain the Senate for any length of time, but I am unwilling to see this item go on the dutiable list without a further statement of the case. If zinc ore, under the circumstances now existing, should be made dutiable, the Senate should impose a duty on copper ore, on tin ore, even on gold and silver ore. If any Senator votes for this duty, I do not see how he can refuse to vote for a duty on cotton as well.

With few exceptions, which have been named, the tariffs of 1846 and of 1857, this article has never been on the dutiable list. In 1890, when the McKinley bill was framed, when the price of ore was \$20.90, it needed no protection. In 1894, when the price had fallen to \$13.60, it obtained no protection. In 1897, when the price was \$22.28, it needed no protection.

But now, when the price is almost exactly twice what it was in 1897, the insistent demand is made that there must be a duty of a cent a pound on the zinc contents of zinc ore.

I make bold to say that the imposition of such a duty would help no one and would seriously injure various lines of industry.

There is a principle which has been intimated, if not boldly advocated, this afternoon, to which I certainly can not give acceptance, and I think no one else should. It is that in framing a tariff bill you must arrange your schedules so as to enable the leanest and poorest mine to do business—not the best mine, not the average mine, but that mine which would not naturally be worked in any country and perhaps exists only in the imagination of some promoter.

If these mines were profitable nine years ago, in 1900, at \$26.50; eight years ago, in 1901, at the price of \$24.21, why do they need protection now at the price of \$45? The plain reason is, as I stated in my remarks made earlier in the day, there has been a great increase in the manufacture of spelter and the products of zinc. We might as well eliminate all this confusion about the manufacturers of zinc oxide and the manufacturers of spelter. It is a plain business or economic proposition. Is the Senate willing to impose now practically for the first time on another article of raw material a duty which it did not receive when the price was half what it is now, or even less?

In order to show the increased demand, I will read briefly from the Engineering and Mining Journal, a standard publication, which has the confidence of all in the mining business. In 1904 it says this of the situation at Joplin:

Even then, with the new smelters in the field for the product of the Missouri mines, the output will barely meet the urgent demands of the capacity of all the works drawing a supply from this district.

A little further on it says:

As has been previously outlined in the Journal, the output is insufficient to meet the demand of the increased smelting capacity drawing a supply from this district, and in consequence the ore price has been about \$4 per ton higher than the metal market for two months.

In 1905 it said:

The direct cause of this has been, of course, the insufficiency of the Joplin ore supply to meet the present demand for spelter for consumption.

Again, in 1906:

It is to be feared that there will be a further falling off in the output of zinc ore this year, even if the price continues high, for the reason that the new openings of ore are not compensating for the exhaustion of the older mines.

I would not wish to throw one obstacle in the way of the miners or others, for whom my friend the Senator from Missouri has made such an appeal. But are they not prosperous enough already? Is there any business in the country where the price of the product has increased more than it has in this instance? And it has increased by natural causes, by the added demand for the product. I submit it is hardly fair to insinuate that there is a conspiracy on the part of those who obtain ores from Mexico. They had no desire to go to Mexico; far from it. But the insufficiency of the supply of ores here made it necessary for them to go outside of the State and outside of the United States to seek another supply.

Mr. President, in any revision of the tariff it will be found that one of the chief obstacles arises from existing duties on raw material. No one who looks at this question as a business proposition will deny that the added labor of the factory, all the increased values given by labor, entitle the one who is engaged in manufacturing to an additional duty. There is a difference between the duty on a lump of iron ore as compared with that on a steel watch spring. The intervening rates are determined according to the amount of labor applied and the amount of capital invested.

Now, when the basis—the raw material—carries a high duty, it is extremely difficult to reduce the succeeding rates.

I have sometimes said that the tariff on raw wool was the sustaining arch of protection in this country. I think there are very few advocates on this floor of the removal or substantial reduction of the duties on wool. Why? Because it is so general an interest in the country, because the farmer, the manufacturer, and all these varied lines of activity have adjusted themselves to that duty.

The value of sheep, the value of land, all, in great degree, depend upon the duty on wool. But so long as the present duty on wool continues it will be extremely difficult, if not impossible, to decrease the duty on woolen goods.

For one I am decidedly opposed to bringing into the category of dutiable articles further items of raw material, because that will still further add to the difficulty of any reduction in duties. In saying that I do not mean to ignore for a minute the propriety or indeed the necessity of imposing duties on raw material when there is a proper ground for it, but in this case I believe there is no demand whatever. It will do no good to those who seek it, because it will lead to a reduced consumption of zinc and an increased consumption of competitive articles, because you are going to put this article up in price, clear out of proportion with competing products, and those competing products will displace the zinc, and the very men who are seeking the imposition of this duty will in the long run find they gain no benefit from it.

Mr. DANIEL. I wished very much to ask the Senator from Colorado, before he took his seat, the amount of freight that Mexican zinc ore would have to pay before it reaches a furnace in Colorado.

The PRESIDING OFFICER. The Senator from Virginia requests the attention of the Senator from Colorado.

Mr. DANIEL. I wish to ask the Senator a question. He can probably answer me. What is the amount of freight on the Mexican ore before it reaches the furnace in Colorado?

Mr. GUGGENHEIM. That ore does not go to Colorado. It is shipped to Illinois and Kansas.

Mr. DANIEL. How much would it have to pay from Mexico to the point where it is smelted?

Mr. GUGGENHEIM. I have a pamphlet in my desk stating that it is \$3.85 per ton from the border to Kansas City. I get that from the pamphlet. Personally I do not know the exact rate.

Mr. WARNER. My information, after giving some attention to this subject, is that it is \$2.65 from the other side to the border and \$3.85 from the border to the smelter in Kansas.

Mr. DANIEL. Two dollars and sixty-five cents?

Mr. WARNER. Two dollars and sixty-five cents to the border of Mexico and \$3.85 from the border to the smelter.

Mr. DANIEL. Two dollars and sixty-five cents to the border of the United States and \$3.85 thereafter. If the advantage of \$6 and upward per ton on ore, which exists in favor of this country, does not constitute a pretty high protection, I do not know what would be. As it seems to me, the attempt to put a cent a pound on this crude zinc ore coming into a country that needs it is nothing but the hard and cruel tax of a severe taskmaster, and that it should be done, and by a party that called for revision down, or aided and abetted by another which has historically stood for low taxes, is a paradox of political complication such as we had no right to expect to meet. The zinc makers of this country and the users of the ore are thirsty for it. They are crying aloud in the land for it. The manufacturers of the country are thirsty for it, and we are told here in the Senate of the United States, by a party that calls for revision down, that we must take a leap upward, high over the natural bulwarks and mountains and rivers and streams and oceans that lie between, and select this identical article for a specific tax on the pound. There is nothing more paradoxical in history, in politics, or even in tariffs, where we can find almost everything.

Mr. STONE. Mr. President, I believe in the old Democratic doctrine of a tariff for revenue, and not in levying a tax for protection per se. If the Democratic party was in control of Congress and making a tariff bill, I would favor imposing import duties on as great a number and variety of articles as possible, both raw material and manufactured products, varying the amount of the duty according to the circumstances of each case, having always in view the necessities of the Government for money with which to administer its great affairs. I would endeavor to secure a due proportion of that revenue through the imposition of revenue duties on imports.

I do not, as a general proposition, look with favor upon the notion of free raw material, and certainly not when the products of the raw material are highly protected; and still less when the manufactured products are not only protected, but

are controlled, or largely controlled, by a monopoly. The mere fact that a given article may have been put on the free list in one tariff law, or more than one tariff law, or the mere fact that a given article may have been on the dutiable list in one or more tariff laws, is not of itself in either case a matter of particular importance.

There may be at one time well-founded reasons for putting an article on the free list or for putting it on the dutiable list, according to the circumstances existing at the time. At one time the circumstances might be such as naturally and properly to take a given article to the free list, while ten years later the conditions might be wholly changed, and, vice versa, conditions might so change as to make it advisable to take some article from the free list to the dutiable list. That has been done in both ways over and over again in the course of tariff legislation. I see nothing, therefore, in the argument that zinc ore should forever remain on the free list because it is now on the free list. One thing is sure, that, no matter what party is in power, and no matter whether a tariff law is made on protective lines or revenue lines, we are bound to raise several hundred million dollars every year by the collection of tariff duties for the uses of the Treasury. The line of party cleavage lies between protective rates, with incidental revenue, on the one hand, and revenue rates, with incidental protection, on the other hand. Moreover, whether a tariff law be drawn on protection lines or revenue lines, it should be symmetrical and impartial. The case in hand furnishes an example. The law imposes a highly protective duty on the manufactured products of zinc, but we find those engaged in zinc manufacturing and who benefit by the tariff on their products are clamorous for no tariff on zinc as it comes from the mines. They have been here urging free trade on what they buy and protection on what they sell. I do not believe in that sort of thing. I have said to them that I would consent to free ore if they would consent to free manufactures of zinc ore. And so this morning, with a view of testing the question and trying the good faith of the protected manufacturers, I proposed an amendment leaving zinc ore on the free list and putting zinc oxide and other zinc manufactures on the free list and the amendment was defeated, the Democrats voting aye and the Republicans voting no. I knew, of course, that the Senators from New Jersey would object to putting zinc oxide on the free list. I knew that because zinc oxide is made by a great organization in that State, which, in large measure, dominates the zinc industry of this country. That organization has a high duty upon its productions, and, of course, it wants zinc ore to remain on the free list, or, failing in that, to have the rate placed as near to the line of no duty as possible. I have no antagonism to those who buy zinc ore and use it in any grade of manufacturing, but I believe in fair play, I believe in equality, and that all people should be treated alike and dealt with upon a plane of common justice. Mr. President, let us look at this subject a moment from this standpoint and make some comparisons. The Senate has put a duty of a cent and one-half per pound upon the lead contents of lead ore.

The House put a cent and one-half upon lead ore and a cent per pound on zinc ore. The House also fixed a duty of 1½ cents per pound on pig lead and 1 cent per pound on zinc spelter. The Senate has left the House rate of a cent and a half per pound on lead ore, but, against my protest, raised the duty on pig lead to 2½ cents per pound, and the bill stands in that form to-day in so far as it affects lead ore and lead bullion. But now it is proposed by the Senate committee to change the duty fixed on zinc ore in the House bill by arranging a graduated scale of duties; that is, by imposing a duty of 1 cent per pound on zinc ore when the ore contains 25 per cent and over of zinc metal, and lower graduated rates upon lower grades containing less than 25 per cent of metal; and it is also proposed to raise the duty fixed in the House bill on spelter. Mr. President, I can see no good reason for imposing one rate upon one pound of zinc and a different rate upon another pound of zinc. I can, of course, understand why the New Jersey corporation wants that done, but I can see no other reason for it. And especially, Mr. President, am I unable to see why this marked discrimination should be made in favor of lead and against zinc. Both metals are mined on a large scale in Missouri. I am of course wholly impartial as between them. Each is a great industry, and combined they constitute one of the most important industries of the Commonwealth in which I live. Mr. President, Democrats are not making this bill; Republicans are making it; but I insist that it be framed so as to treat all alike, and deal with one as you deal with another. You can not conceive two mining propositions more nearly identical than the mining of lead and zinc. The same processes are employed. They prospect alike; they drill alike; they sink shafts alike, and men go down into

the subterranean dungeons they make to mine the one metal as they mine the other.

In the Joplin district lead and zinc are ordinarily taken from the same mine and are afterwards separated. Now you give to lead ore $1\frac{1}{2}$ cents duty per pound, while you propose to give to zinc ore more than a third less than that. The duty is a cent and a half in the one case, and less than a cent in the other case.

Mr. President, still greater quantities of lead are mined in the southeastern part of Missouri than in the southwestern, or Joplin, district. The lead ore taken from the mines of the Joplin district is of a higher grade than that mined in the southeast. The Joplin product will run approximately from 70 to 80 per cent lead.

Mr. SMOOT. Eighty per cent?

Mr. STONE. I am informed it often runs from 75 to 80 per cent lead in the Joplin mines. In the southeastern mines the quantity of lead runs less to the ton of ore.

Now, sir, here we find two mining propositions almost identical in the method of operating, in the cost of operating, and in the value of production. Recent Joplin quotations gave the current price of a ton of Joplin zinc ore, estimated to contain about 60 per cent of metal, at \$38 to \$39 per ton. At the same time a ton of lead ore running at about 55 to 60 per cent of metal was worth from \$43 to \$45 a ton. Joplin lead ore was quoted higher than that.

The Joplin ore is worth more because of its richness; but what I am trying to show is that if we compare the value of a ton of lead ore to that of a ton of zinc ore, the two tons running about the same per cent of metal, the ton of lead ore will sell for from \$3 to \$5 more than the ton of zinc ore; but after the two have been smelted, one put into lead bullion and the other into spelter, the spelter will have a higher market value than the pig lead.

After smelting the situation changes and the pig lead becomes less valuable than the zinc spelter, whereas the lead ore is more valuable than the zinc ore. That is due to the fact that it costs less to smelt the lead than it does to smelt the zinc, and there is less of waste in smelting lead than zinc.

Mr. President, I can not understand the theory upon which the Finance Committee or the Ways and Means Committee constructed these schedules. Dealing with two propositions so essentially the same, why should such a marked partiality be shown for the one over the other?

I do not know what influences operated to bring this about. The lead trust permeates the whole country. It is very powerful, and it ramifies everywhere. Years ago it succeeded in putting this duty of $1\frac{1}{2}$ cents on lead and higher rates upon the manufactured products of lead; and now the controlling organization in this zinc industry contends here first for free zinc ore, and failing in that, advocates an amendment which approximates as nearly as a duty could to the level of free ores.

Mr. President, I am opposed to that sort of discrimination. If we are to take zinc ore out of the free list and put it on the dutiable list, and I think zinc ought to be made dutiable for the revenue it would produce if for nothing else, it ought to be put on a par with lead ore when duties are laid. There is no justification for this wide and gross discrimination. I do not care on what theory a tariff law is made, whether primarily for protection or for revenue, these two propositions should be treated substantially alike.

Mr. President, I am going to vote for the House proposition, for as between the two I think it in every way the better one. Not only is it better in itself, but it would be an easier law to administer. To prevent fraud in administration, the flat rate is infinitely better than the graduated rate. And I am going to vote for the House rate because, under the circumstances of the case, I believe it would produce a larger revenue for the relief of the Treasury, now sorely distressed. I am a Democrat, in the minority, but still I am a Senator, interested in sensible legislation. Besides, the lower rate proposed for the lower grades of ore is not in the public interest, but in the interest of the New Jersey zinc trust.

Years ago when a high duty was laid on lead ore it was done, so it was said, to protect our lead mines against foreign competition. If so, then where did that competition come from? From Mexico, chiefly. Mr. President, if that was sound doctrine, then the economic conditions now prevailing make that old reasoning as applicable to zinc ore as to lead ore. I do not believe in protection per se, but I do think that even Republicans should show some respect for consistency. Ten years ago and less no zinc ore was imported into this country. Then a tariff on zinc would have made no difference, either as a matter of protection or of revenue. As no ore was imported, there was nothing to

protect, and nothing from which to exact a revenue. But conditions in that behalf have changed wonderfully within the last five or six years. Enormous zinc deposits have been recently discovered in Mexico, where they are cheaply mined, and large quantities of this Mexican ore are now being annually imported into the United States. The situation is wholly changed from what it was a few years since. The lead situation and the zinc situation in this respect are again identical. Now a tariff on zinc ore to produce a needed public revenue might be levied, whereas ten years ago a tariff would have produced no revenue because then there were no importations.

Mr. President, the Senator from Ohio [Mr. BURTON], and the Senator from New Jersey [Mr. KEAN], who represent zinc manufacturers, said that the consumers of zinc ores went to Mexico for supplies because they could not obtain enough to meet their demand at home. That rests too much in mere assertion. I conferred with numerous gentlemen who came here representing both sides of this contention, many being constituents of mine. Of course both sides had their personal and selfish interests at heart. I have weighed what they said as well as I could. One or two men talked to me who impressed me as being particularly fair and impartial. One of them is the president of the Granby Mining and Smelting Company, one of the oldest and strongest institutions of that kind in the Middle West. This gentleman has had a long and varied experience in this business. He has been a student of it and is familiar with its every detail. He is interested on a large scale both in the mining and in the smelting of both lead and zinc. His company has large investments in mining both and in smelting both. With him I examined statistics he produced. On this particular question of American production and American consumption of zinc, he showed from authentic statistical data, this, among other things, that the total production of zinc in the United States in 1907 was 534,213 tons of ore. Calling this 50 per cent zinc, with an extraction of 85 per cent, there was produced that year 227,040 tons of spelter against a consumption that year of 222,494 tons, which was the year of our largest consumption.

This calculation leaves out of consideration the New Jersey zinc company's zinc production from its New Jersey mines, which amounted in 1907 to 368,710 tons of zinc ore. That, he said, should be eliminated in all fairness to the smelters, for but little of that production goes into the manufacture of spelter; the bulk going into zinc oxide, and the remainder being exported. It cuts but little or no figure in this discussion and should be eliminated.

Mr. President, I believe that the amount of revenue that would be realized for our hard-pressed Treasury from a 1-cent flat rate would be greater than would be derived from the graduated rate proposed by the committee; and when we take that into consideration in connection with the other considerations to which I have invited attention, it seems to me that the House proposition is in every way preferable.

Mr. President, since we are to have these duties on both lead and zinc, speaking for a constituency interested in both, I insist on equality of treatment in whatever you do, and I shall stand for that which approaches nearest to that level. I do not think it right or fair or just to make a discrimination against the zinc miners in favor of the lead miners, or in favor of the zinc miners against the lead miners. I want to see both treated alike and with absolute impartiality. So far as the ultimate consumers are concerned, the result will be the same whether you put on the one duty or the other. The form in which zinc reaches them is in paints, galvanized wire, zinc sheets, and the like. These manufactured products are highly protected, and most of them are controlled by monopolies. The same is true of lead and lead products. The price to the final consumer of these commodities will not, under existing economic conditions, be affected. From this point of view, the great question is whether these manufacturing monopolies shall have free raw materials on the one hand and tariff rates so high as to protect their products from foreign competition on the other hand; and that is a proposition wholly abhorrent to my sense of justice and fair play.

Mr. LA FOLLETTE. Mr. President, as I am confident that the amendment offered by the committee will be adopted, I shall take the time of the Senate to submit a brief statement.

The Senator from Ohio [Mr. BURTON] argued strongly against the duty upon the ground that when the value of the ore was very much less than at present no duty was required or sought. Why, sir, at that time there were no importations, and consequently no reason to ask Congress for a protective duty.

I know something of the cost of mining zinc ore in Wisconsin. With respect to Joplin, the cost of mining ore is fully

stated in the testimony taken by the Committee on Ways and Means.

A few years ago the cost of mining in Wisconsin was very much less than it is now. The mining was near the surface. At present it is from 100 to 200 feet below the surface, and in going down the miners encounter heavy water, which makes the mining very expensive.

The duty should be based on the difference in the cost of producing in this country and Mexico. The cost of production in both countries is definitely ascertained. It costs, in round numbers, \$35 more per ton to lay down a ton of Wisconsin or Joplin ore at the Kansas smelter than a ton of Mexican ore. The labor cost in a ton of ore in Wisconsin is \$24. A protective duty measuring the difference between the cost of production in Mexico and in Wisconsin, and in Joplin as well, would require a higher duty than that fixed by the House, and a higher duty than that submitted by the Senate committee to-day. With these facts before the Senate it can not refuse to adopt the committee amendment.

Mr. President, for reasons which I stated when the paragraph on lead ore was under consideration I am compelled to withhold my vote on all questions or amendments offered as to paragraph 190.

I am interested in property which I believe will be increased in value if zinc ore is made dutiable, as provided in the amendment proposed by the Finance Committee. For that reason I will ask to be excused from voting.

The PRESIDING OFFICER. Without objection, the Senator from Wisconsin will be excused.

The question is on agreeing to the amendment of the Senator from New Jersey [Mr. KEAN] as a substitute for the committee amendment.

Mr. KEAN. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment proposed by the committee, striking out paragraph 190 and inserting a substitute therefor.

The amendment was agreed to.

Mr. ALDRICH. The next amendment I offer is to paragraph 191.

The PRESIDING OFFICER. The amendment proposed by the committee to paragraph 191 will be read by the Secretary.

The SECRETARY. It is proposed to strike out the paragraph as printed in the bill and to insert in lieu thereof:

191. Zinc in blocks or pigs and zinc dust, 1½ cents per pound; in sheets, 1½ cents per pound; in sheets, coated or plated with nickel or other metal or solutions, 2 cents per pound; old and worn out, fit only to be remanufactured, 1 cent per pound.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. CURTIS. Is there not an amendment pending to that paragraph?

The PRESIDING OFFICER. There is not.

Mr. CURTIS. I understood that the Senator from Idaho [Mr. HEYBURN] had offered an amendment to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. ALDRICH. I ask that the paragraphs of the silk schedule, numbering from 392 to 401, inclusive, reported from the committee yesterday, be adopted.

The PRESIDING OFFICER. The Senator from Rhode Island moves that the paragraphs referred to be adopted.

Mr. CUMMINS. Before that motion is put to the Senate, I should like to ask the chairman of the committee a question with reference to the amendments that were proposed yesterday.

Mr. BRISTOW. Mr. President, I desire to inquire what is the question now pending before the Senate?

The PRESIDING OFFICER. The question is on certain silk paragraphs offered by the chairman of the Committee on Finance, which he now moves be adopted.

Mr. CUMMINS. Mr. President, originally the Finance Committee reported that the equivalent ad valorem duty upon all the articles in this schedule in the present law was 52.33 per cent, and that the equivalent ad valorem that had been substituted by the Senate committee was 60.76 per cent, thus showing an increase of 8.43 per cent, or an increase over the former rates of substantially 16 per cent. The committee has now proposed to reduce some of these rates, which is very gratifying, I think, to all of us—and very justly to reduce them—but I should like

to know how the reductions which are now proposed affect the general increase that I have mentioned.

Mr. ALDRICH. Mr. President, the reductions have been all along the line, as the Senator perhaps has seen from the statement which was furnished to him. I should think that the rates now before the Senate are not much, if any, in excess of the present law. The Senator from Utah [Mr. SMOOR] has a detailed statement of the reductions, which he can submit to the Senate. Of course, just what the effect will be no one can precisely tell; but I can say that the general effect of the silk schedule, if it is adopted as now presented, will be very little, if any, increase over the existing law.

Mr. CUMMINS. Mr. President, I have not had opportunity, even if I had the skill, to apply these rates to the importations of 1907. My view of it was that there was no occasion for materially increasing the duties upon either silk threads or silk fabrics. With the assurance which has just been given by the chairman of the Committee on Finance, which I understand is also the view of the Senator from Utah, I do not intend to urge any amendment to the silk schedule, although it was my original purpose to do so, in order that we might bring the duties more nearly to the law as it now is.

The PRESIDING OFFICER. In the absence of objection, the paragraphs referred to will be considered as agreed to.

Mr. KEAN. Mr. President, I desire to present a petition of the silk manufacturers of the United States, and ask that it may be printed in the Record. I shall not detain the Senate by asking that it be read.

The PRESIDING OFFICER. In the absence of objection, the petition will be printed in the Record.

The petition referred to is as follows:

HON. JOHN KEAN,
United States Senate, Washington, D. C.:

The petition of the undersigned silk manufacturers of the United States of America respectfully represents as follows:

Whereas an effort is being made by importing interests to reduce the 50 per cent ad valorem clause contained in the silk schedule now before your honorable body;

Whereas a 50 per cent rate is needed to properly protect the silk industry of the United States and to offset the difference between cost of production in Europe and the United States;

Whereas the specific rates in the proposed silk schedule are of tremendous value to the silk industry, inasmuch as they prevent undervaluations which are of frequent occurrence, particularly in high-grade and fancy silks; and

Whereas an effort is now being made to have some of these specific rates reduced, on the plea that they amount to 70 or 80 per cent ad valorem;

Whereas they do in reality average no more than 40 per cent ad valorem, and in but few instances reach 50 per cent;

Therefore, we, the undersigned silk manufacturers of the United States, respectfully request that the silk schedule now before the Senate be passed without any changes in rates and with the 50 per cent ad valorem clause, as originally proposed by the Finance Committee of the United States Senate.

McCollom & Post, Paterson, N. J.; Cardinal & Becker; John Holbach & Co.; Favorita Silk Company; T. J. Mitchell Company; Pelgram & Meyer; Collins Silk Company; Sheldon & Leach; Samuel J. Aronson (Incorporated); Imperial Silk Company; The Hill Silk Manufacturing Company; Hamicheu Brothers Silk Company; Progressive Silk Company; Godfrey Widener; Phoenix Silk Manufacturing Company; The Holzman Silk Manufacturing Company; Baker & Schofield Company, J. A. O'B. Baker, president; Appel Brothers Manufacturing Company, per Jos. Appel, president; Brilliant Silk Company, per W. E. Eaton; Kattermann & Mitchell Company; Naeff Brothers Company, A. Schlaepfer, treasurer; Neuberger, Phillips Silk Company; Victory Silk Company, Samuel Bentley, president; Fred Schofield; Wolff & Silber; Paterson Silk Manufacturing Company, Ben S. Salkowitz, secretary and treasurer; Luvon Silk Company, Herbert Lubelski, president; Guthrie Silk Manufacturing Company, William Guthrie, president; Kane & Wilkinson Silk Company, John A. Kane, president; Enterprise Silk Company; David Lindsay; Holmes Silk Company, W. B. Phillips, president; Bentley Silk Company, John Bentley, secretary; American Silk Manufacturing Company, M. Wolf, vice-president; Siff & Cohen; Stern & Pohly, Paterson, N. J.; Israel R. Cohen; Schuh & Michels Manufacturing Company; H. Miedendorp; L. Lemieux & Co.; Doherty & Wadsworth Company, H. Grouney, secretary; Berwyn Silk Company, J. B. Cooke, president; Post & Sheldon Corporation; Westerhoff Brothers & Napier Company, Peter D. Westerhoff, president; Reliance Silk Company, James F. Yates, president; Henry Doherty Silk Company, by Henry Doherty, president; Cardinal Silk Company, A. Cardinal, president; Spoer & McGinley; John Hand & Sons (Incorporated), William Hand, treasurer; Lake View Silk Mills, Geo. R. Meyers, manager; Jansen & Pretzfeld, S. Scheller, superintendent; Manhattan Silk Manufacturing Company; Ashley & Bailey Company; Givernaud Brothers; Audiger & Meyer Silk Company; F. Neuenhaus; B. Edmund David; Joseph Paurz; Schottland & Young; A. Schottland; J. M. Potts Silk Company; Armor Silk Company, A. Wolf; Kaufman Brothers; Heubert Silk

Company; Continental Silk Mills; Aronsohn Bloom Silk Company; Aronsohn Brothers Silk Company, B. Aronsohn, treasurer; Cedar Cliff Silk Company; Haledon Tapestry Company; Quakertown Silk Company, per W. Little, president; W. Little & Co., Paterson, N. J.; John Schwartz, jr., Silk Company, Paterson, N. J.; Demarest Silk Company, G. W. E. Demarest, treasurer; Reiling & Schoen.

Mr. ALDRICH. On page 87, in line 4, after the word "including," in paragraph 289—

The PRESIDING OFFICER. Will the Senator from Rhode Island kindly indicate to the Secretary the paragraphs covered in the silk schedule as approved?

Mr. ALDRICH. I have indicated them.

The SECRETARY. From paragraph 392 to paragraph 401, inclusive.

Mr. DOLLIVER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Iowa?

Mr. ALDRICH. I do.

Mr. DOLLIVER. Before the silk schedule is disposed of, I desire to call the attention of the chairman of the committee to a memorial, in the nature of a complaint, against the rates proposed between lines 12 and 23 of the committee amendment as printed, beginning with the words:

If weighing more than 2 ounces, but not more than 8 ounces per square yard—

The memorial to which I desire to call the Senator's attention is a memorial of a large number of people engaged in manufacturing umbrellas. They claim that these rates are substantial increases over the existing tariff. It appears, also, that the rates are very much higher in this cloth than the rates provided for on the finished product, I think the finished product being assessed at 45 per cent as a nonenumerated manufacture of silk; but these rates running up as high as 80 per cent, they seem to think that is not a proper adjustment.

Mr. ALDRICH. If the Senator from Iowa will send the memorial which he has to the committee we will examine the subject.

Mr. SMOOT. I call the attention of the Senator now to the fact that the rates on these very silks have been reduced. We have reduced the rates from \$3.20 to \$2.75 and from \$2.50 to \$2 in our proposed amendment, those being reductions from the rates fixed in the House bill.

Mr. ALDRICH. I think the memorial which the Senator has is based upon the rates as originally reported.

Mr. DOLLIVER. It is.

Mr. ALDRICH. If the Senator will give us the memorial, we will examine it.

Mr. DOLLIVER. The rates which are proposed in the last committee amendment for the whole schedule are in excess of the existing rates.

Mr. ALDRICH. The committee will make an examination and see.

Mr. DOLLIVER. I shall be glad to have this memorial printed in the RECORD, and to have the committee look into the matter.

Mr. ALDRICH. The committee will examine it.

The PRESIDING OFFICER. In the absence of objection, the memorial will be printed in the RECORD.

The memorial referred to is as follows:

NEW YORK, March, 1909.

Hon. S. E. PAYNE,
Chairman of the Committee on Ways and Means,
Washington, D. C.

DEAR SIR: The undersigned umbrella manufacturers of the United States hereby beg to strongly protest against the proposed increase in the pound duty on silk and cotton-mixed goods used in the manufacture of umbrellas.

As the present specific tariff rates are prohibitive on the lower grades, the increase proposed in the schedule presented by the committee of the Silk Association of America would seriously affect the better grades and interfere with our business to a very large extent.

Schedule L.—Woven fabrics in the piece, weighing not less than 1½ ounces and not over 8 ounces per square yard, if containing not more than 20 per cent in weight of silk—

Present tariff:	Cents.
If in the gum, per pound.....	50
If dyed in the piece, per pound.....	60
Proposed tariff:	
If in the gum, per pound.....	57½
If dyed in the piece, per pound.....	70
If containing over 20 per cent and not over 30 per cent in weight of silk—	
Present tariff:	Cents.
If in the gum, per pound.....	65
If dyed in the piece, per pound.....	80
Proposed tariff:	
If in the gum, per pound.....	75
If dyed in the piece, per pound.....	90

NOTE.—The proposed tariff reads: "Weighing not less than 2 ounces per square yard." But we beg to state that the above goods used for umbrellas all weigh from 2 to 8 ounces per square yard.

Very respectfully, yours,

Allison & Lamson, 405 Broadway, New York City; Gans Brothers, Baltimore, Md.; B. O. Wright & Co., 385 Broadway, New York City; Rose Brothers & Co., Lancaster, Pa.; Simons & McGill, 58 White street, New York City; Arnold, Schiff & Co., 107-113 Franklin street, New York City; United States Umbrella Company, Elizabethport, N. J.; Anton Russy & Co., Excelsior Umbrella Manufacturing Company, Boston, Mass.; William H. Rich & Son, New York City; Kiel & Arthe Company, Edward Kiel, president, New York City; Stoopack & Garbat, New York City; Connor Wallace & Co., New York City; Suplee, Reeves Whiting Company, F. F. Mitchell, treasurer, New York and Philadelphia; James Stokley & Co., Philadelphia; W. N. Stevenson & Co., New York City; Hulse Brothers & Daniel Company, New York City; L. P. Henryson & Co., New York City; Miller Brothers & Co., New York City; Peltz & Biderman, New York City; Kraut & Finver Brothers, New York City; I. H. Weinberg & Co., New York City; Kreis & Hubbard, Chicago, Ill.; E. C. Kuhn, Cincinnati, Ohio; Hull Brothers Umbrella Company, Toledo, Ohio; J. Lazarus & Co., New York City; Herman Bamberger, New York City; Bogen, Berman & Co., New York City; Louis Heynman & Bros., New York City; W. W. Harrison Company, New York City; John H. Maloy, New York City; Moxey, Howlett & Co., Philadelphia, Pa.; Ades Brothers, Baltimore, Md.; William H. Beehler, Baltimore, Md.; Polan, Katz & Co., Baltimore, Md.

Mr. GORE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Oklahoma?

Mr. ALDRICH. For what purpose?

Mr. GORE. Mr. President, I merely wish to say, before we finally pass from the silk schedule, that I desire to offer an amendment in the form of an additional paragraph.

Mr. ALDRICH. The Senator from Oklahoma might as well offer it now as at any other time.

Mr. GORE. Very well. I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment offered by the Senator from Oklahoma will be stated.

The SECRETARY. It is proposed to insert as a new paragraph the following:

— All silks manufactured or otherwise imported into the United States in pursuance of this act which shall contain more than 20 per cent of other substances than pure silk shall be subjected to an additional duty amounting to three times the duty imposed by this act, and all silks fabricated or manufactured in the United States which shall contain more than 20 per cent of other substances than pure silk shall be subjected to an excise tax amounting to three times the duty imposed by this act on imported silks of the same character and description.

Mr. GORE. Mr. President, I shall say but a word in regard to this amendment. I feel sure that it will be voted down; but my object is to call attention to the fact that silk imported and manufactured in this country contains sometimes as much as 63 per cent of other substances than silk. The silks purchased by our grandmothers lasted for a generation; the silks now purchased by their granddaughters hardly last for a single season. The silkworm, however, is as good a spinner as in ancient times. The fault is attributable to the weaver of the present times; it is attributable to the manufacturer.

The same spirit that has changed the weights in our sugar, the same spirit which necessitated the enactment of a pure-food law to prevent the adulteration of food, has adulterated silks in this country. Mr. President, I hold in my hand a test made by the Bureau of Standards of the United States. I hold here [exhibiting] a sample of black silk. The analysis and test of this black silk discloses that there is only 37 per cent of real silk in the finished product. A great portion of the adulterant is tin oxide, gum, and grease of various kinds. When the bonnie brides of the country are rustling in imaginary silk, in fact it is tin which is affording the music which inspires their bridal march. [Laughter.]

I think the practice ought to be stopped, and I have proposed an amendment which will limit adulterations to not exceeding 20 per cent. I believe that usually there is about 10 per cent water in silk; but I desire to cut out this oxide of tin and these various other substances, which are introduced into the silk to give it weight and apparent substance. It is purely a fraud on the purchaser, and explains why silk now lasts so brief a time. It is a cheat which chivalry on the part of manhood ought to stop in behalf of beauty. I trust that the gallantry of the Committee on Finance will actuate them to accept this amendment.

I have several other samples of silk. Here [exhibiting] is the silk before the test was made and here [exhibiting] is the silk after the test was made. You see that its beauty, like the

glories of Ichabod, has departed. I do not know; perhaps we ought to allow them to cheat more than 20 per cent. I am willing to indulge a reasonable amount of fraud in this matter; but we ought to draw a line somewhere below 63 per cent. Therefore I offer the amendment, which has been read, and I ask to have printed in the RECORD this official test made by the Bureau of Standards of the Government of the United States.

The PRESIDING OFFICER. In the absence of objection, the document referred to will be printed in the RECORD.

The paper referred to is as follows:

DEPARTMENT OF COMMERCE AND LABOR,
BUREAU OF STANDARDS,
Washington, June 12, 1909.

Hon. T. P. GORE,

United States Senate, Washington, D. C.

DEAR SIR: The accompanying table gives the results of a partial analysis of three samples of silk recently submitted by you for examination.

We hope that this information will prove satisfactory to you.

Very truly, yours,

E. B. ROSA, Acting Director.

Report on the chemical analysis of three samples of silk submitted by Hon. T. P. Gore, United States Senate.

Color of sample.	White.	Black.	Brown.
	Per cent.	Per cent.	Per cent.
Ash (including ash of pure silk)	29.1	15.9	31.5
Moisture	9.5	12.0	9.0
Silk	58.4	37.3	54.1
Total determined	97.0	65.2	94.6
Undetermined material	3.0	34.8	5.4
Ratio of ash to weight of finished silk	29:100	16:100	32:100
Ratio of ash to weight of pure silk found	50:100	43:100	58:100
Material extracted by hot, 1 per cent, hydrochloric acid	24.5	27.8	23.5
The ash of pure silk is never more than 1 per cent.			
Deducting this maximum amount from the amount of ash found above, we get			
Mineral weighting matter	28.1	14.9	30.5
Ratio of mineral weighting to finished silk	28:100	15:100	31:100
Ratio of mineral weighting to pure silk found	48:100	40:100	56:100

The weighting material of mineral nature is tin oxide. This is deposited on the fiber from various tin salts. From the finished product it is impossible to say whether the chloride, sulphate, or some other salt of tin was used in the weighting process.

Moisture: Above 15 per cent is an abnormal content of water.

Silk: The percentage of pure silk was calculated from the nitrogen content. Pure silk contains 18.33 per cent of nitrogen.

Undetermined material: Probably organic weighting material, such as gum, grease, etc.

E. B. ROSA, Acting Director.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Oklahoma [Mr. GORE].

The amendment was rejected.

Mr. ALDRICH. I now move the amendment which I send to the desk to paragraph 289, on page 87.

The SECRETARY. In paragraph 289, page 87, line 4, strike out the word "including" and insert in lieu thereof "refined, deodorized coconut oil, and."

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I now ask that we take up the paragraphs in the paper schedule, commencing with paragraph 407.

Mr. BRISTOW. Mr. President, I inquire what has been done with the silk schedule.

Mr. ALDRICH. It has been agreed to.

The PRESIDING OFFICER. The paragraphs in the silk schedule have been agreed to. The Secretary will state the amendment proposed by the Senator from Rhode Island [Mr. ALDRICH].

The SECRETARY. On page 159, the committee proposes to strike out paragraph 407, as printed in the House text, and to insert a new paragraph 407—surface-coated paper, and so forth.

Mr. ALDRICH. I send the modified paragraph to the desk to be read in place of the printed amendment.

The PRESIDING OFFICER. The modification of the amendment will be stated.

The SECRETARY. It is proposed to modify the amendment of the committee by inserting a new paragraph in lieu of paragraph 407, as follows:

Amendment reported by Mr. ALDRICH, from the Committee on Finance, to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes: Insert in lieu of paragraph 407 the following:

407. Flint glazed papers, 2½ cents per pound and 15 per cent ad valorem; all other surface-coated papers, not specially provided for in

this section, 5 cents per pound; if printed by other than lithographic process, or wholly or partly covered with metal or its solutions, or with gelatin or flock, and marbled or marbled hand-dipped paper, 5 cents per pound and 20 per cent ad valorem; parchment papers, imitation parchment and greaseproof papers, supercalendered or otherwise, by whatever name known, weighing 10 or more pounds per ream of 480 sheets, 20 by 30 inches in dimensions, 2 cents per pound and 10 per cent ad valorem; bags and envelopes made wholly or in chief value of imitation parchment or greaseproof paper, 2 cents per pound and 20 per cent ad valorem; plain basic photographic papers for albumenizing, sensitizing or baryta coating, and basic papers for solar and other light printing, valued at 20 cents per pound or more, 3 cents per pound and 10 per cent ad valorem; valued at less than 20 cents per pound, 25 per cent ad valorem; albumenized or sensitized paper, or paper otherwise surface coated for photographic purposes, 30 per cent ad valorem.

Mr. NELSON. Mr. President, it seems to me that we ought to have some explanation of this matter. It is quite a change from paragraph 407 as originally reported by the committee; and from what I could catch from the reading, I am satisfied it greatly increases the rates; at all events, the first portion of it does.

Mr. ALDRICH. No; the Senator is mistaken about that. It is not an increase; it is a readjustment and a rearrangement of the various items; but it is not an increase over the rates as presented by the committee originally. It is intended to be a better classification and a more accurate fixing of the various classes of paper which it covers. Of course the Senator—

Mr. NELSON. Wherein does it differ from the Payne bill?

Mr. ALDRICH. It is much better arranged and much better classified.

Mr. NELSON. Are the rates any higher than those of the original House bill?

Mr. ALDRICH. No; they are not.

Mr. NELSON. Are they any higher than the Dingley rates?

Mr. ALDRICH. They are higher than some Dingley rates and lower than others.

Mr. BACON. If the Senator will permit me—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Georgia?

Mr. NELSON. I simply rose to say that I should like to have some explanation. This is a very complicated and extended amendment involving a new classification. I now yield the floor.

Mr. BRISTOW. I followed as carefully as I could the Dingley rates on the reading of the amendment at the desk, and I am very confident that there are some duties increased over those of the Dingley law.

Mr. ALDRICH. Mr. President, there are some rates unquestionably above the Dingley rates, but they are few; and there are some reductions below the Dingley rates. It is, in the opinion of the committee, a much better arranged and classified paragraph than the paragraph of the Dingley law. The fact is that of these manufactures of paper there are constantly new articles being imported. There has been a wonderful change in the last twelve years in the character of articles that are covered by this paragraph. Some of these surface-coated papers are artistic productions of the highest class, and—

Mr. BRISTOW. Could not the modified amendment be printed?

Mr. ALDRICH (continuing). And I think the Senator will find, by careful examination of the paragraph, that on the average the rates proposed are not increases over the present rates.

Mr. BRISTOW. Could it not be printed?

Mr. ALDRICH. The Senator from Utah [Mr. SMOOT] can give an explanation of some of the changes.

Mr. SMOOT. Mr. President, it will be noted from the amendment that there are different brackets on surface-coated paper. In the original amendment the rate was 2½ cents and 15 per cent ad valorem. The manufacture of surface-coated papers in this country is on the wane. As everybody knows, the industry is being curtailed and given up by reason of the immense increase of foreign importations. The House fixed the duty at 5 cents a pound on surface-coated papers of all kinds. We propose to change it to 2½ cents per pound and 15 per cent ad valorem, as first reported, by making two brackets, fixing a duty on part of them at 2½ cents and 15 per cent ad valorem, and the balance at 5 cents per pound, the rate the House had fixed on all of them.

Mr. BRISTOW. Mr. President, if the Senator—

Mr. SMOOT. Certainly, as a whole, it is a reduction from the House bill.

Mr. BRISTOW. Of course, I know there are a great many varieties of surface-coated paper. That is why I suggested that the amendment be printed, so that we could study it. Five cents a pound on surface-coated paper might be practically 100

per cent on its value, and it might not be. I am confident that there is a great deal of surface-coated paper upon which there is no occasion whatever for an increase of duty.

Mr. SMOOT. That is just what the committee has already done. They have separated them. They have put the lower grade at 2½ cents per pound and 15 per cent ad valorem, and the higher grade of surface-coated papers at 5 cents a pound, as I said before, reducing the rates on the lower grades from those which the House bill provides.

Mr. BRISTOW. If the amendment could be printed so that we could examine it, probably it might save a good deal of time.

Mr. ALDRICH. I have no objection to that course being taken. Let it be printed in the RECORD and printed as an amendment; and I can ask to have it taken up to-morrow morning.

Mr. BRISTOW. All right.

Mr. ALDRICH. But I desire to impress upon the Senate the fact that in all the kinds of paper covered by paragraphs 407, 408, and 409, the Germans have been rapidly encroaching upon the American manufacturers in the American markets. The importations are simply immense in some of these lines; and we have either got to strengthen our tariff by imposing specific duties, with increases in many cases, or else we have got to surrender this very valuable industry to our competitors abroad. Of course these papers call for the greatest amount of artistic talent in their preparation.

This paragraph covers thousands and thousands of different articles, many of which were not in use, not manufactured, and not known at all when the tariff act of 1897 was passed. Of course the same thing is much truer about the act of 1894 and the act of 1890. Under those acts there were one or two simple paragraphs in regard to paper, but now we have hundreds and thousands of different articles, all requiring different treatment. The committee, with the experts, with the manufacturers, and with the importers, have given a great deal of time and attention to the preparation of these three paragraphs, namely, 407, 408, and 409; and if there are any mistakes in them, if the rates are either too high or too low, the committee will be glad to consider any suggestion. We have given much thought and great time to all these paragraphs.

Mr. NELSON. Mr. President, do I understand the chairman of the committee correctly, to say that the pending amendment is a substitute for these three sections?

Mr. ALDRICH. Not for 409. We have no substitute for paragraph 409.

Mr. NELSON. Has the committee a substitute for paragraph 408?

Mr. ALDRICH. We have a substitute for paragraph 408.

Mr. NELSON. I suggest that it be submitted, so that it can be printed in order that we may have the benefit of it to-morrow.

Mr. BURKETT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Nebraska?

Mr. ALDRICH. I yield to the Senator from Nebraska.

Mr. BURKETT. As I understand, paragraph 408 is the one which covers lithographs?

Mr. ALDRICH. Lithographs, view cards, and so forth.

Mr. BURKETT. I will say that I have had several letters from the larger newspapers of my State, calling attention to the fact that the Senate committee bill as originally drawn did not extend to them the proper protection they should have. They stated that the House bill had in a measure done so, but that the Senate bill had changed the provisions and had put back the troublesome conditions of the Dingley law. I suppose the Senator has probably had similar communications from other publishers, printers, or lithographers, and has made these slight corrections in the amendments which he offers to-night.

Mr. ALDRICH. That has been arranged for, I think, to the satisfaction of all interests. We have tried as far as possible in these three paragraphs to compose the conflicting views of the parties in interest, having in mind all the time the carrying on of this industry in a reasonable and profitable way in the United States.

Mr. GALLINGER. Mr. President, I simply want to say, in a word, that I feel a very great interest in the lithographing industry, and I trust that the substitute the committee have prepared will take adequate care of that industry, which is now greatly imperiled.

The National Association of Employing Lithographers met in this city a little over a month ago, and they have given some statistics that are quite startling to me. They call attention to

the very thing that the Senator from Nebraska suggested. They say:

The Payne bill, with two exceptions, provides a fair measure of protection to the lithographic industry. The Senate bill as introduced perpetuates the wrongs of the Dingley bill, which almost ruined an old industry; fair play demands a fair protection; we plead for it.

They show that this is an industry employing \$50,000,000 capital and 20,000 workmen. In 1899 the imports were \$799,745; in 1907, \$3,968,542; and in 1908, \$4,911,102; showing that in nine years the imports have increased almost seven times what they were in 1899. A great many lithographers, to my knowledge, are out of employment in this country. We are being flooded with German lithographic cards and every possible device, furnished to our people much cheaper than they can be produced in the United States.

I want, in just a word, to plead the cause of these skilled workmen and experts, and I hope that the committee have given them fair and adequate protection. I presume the committee have undertaken to do that.

Mr. SMOOT. Mr. President, answering the Senator from New Hampshire [Mr. GALLINGER], I will say that the committee have taken all the demands of the lithographers into consideration, and had meeting after meeting with them. While we could not consistently grant all that they demanded, we did finally report, or will report, amendments that are acceptable to that class of workmen.

Mr. ROOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New York?

Mr. SMOOT. Certainly.

Mr. ROOT. Mr. President, I share the interest of the Senator from New Hampshire in the lithographic industry. There is, however, another class of workers in whom I am much interested, and those are the cigar makers; and there is a question arising under paragraph 408 that is many, many times more important to them than all this Philippine-cigar business that we have been talking about here for several days, and that is the question of the duty upon cigar bands and labels, which they are practically compelled to use by the fashion of the day. The labels injure the cigars, to my thinking, but the purchasing public does not seem to think so; so the makers have to use them.

The duty on those articles is now very high, and the imported bands are sold now at a much higher price than the domestic. I send up to the desk a number of petitions signed by cigar makers, and I ask to have one of them, for they are identical in terms, printed in the RECORD.

I hope that the committee has exercised a kindly protection for the interests of the cigar makers in the amendment which they are proposing to introduce.

The PRESIDING OFFICER. In the absence of objection, one of the petitions will be printed in the RECORD, as requested by the Senator from New York.

The petition is as follows:

JUNE 10, 1909.

HON. ELIHU ROOT,
United States Senate, Washington, D. C.

SIR: The undersigned cigar manufacturers and cigar-box manufacturers of New York desire to call your attention to the effort which is being made in the interest of the lithographic trust to have the tariff on cigar labels, flaps, and bands increased above the already high Dingley rates in order to monopolize the whole business and be in a position to dictate prices and terms to the cigar and cigar-box manufacturers.

Under the existing law those articles are universally offered to us by the American manufacturers at prices much less than the prices of foreign cigar labels and bands, showing clearly that on these articles the American lithographic industry already has more than sufficient protection under the existing law. By reason of being able to undersell the foreign goods, the few American factories engaged in making cigar labels, flaps, and bands already control at least nine-tenths of the business in the United States, which is surely enough. Any increase, even the slightest, will mean a monopoly for these few factories, and the high rates which they have succeeded in getting into the Aldrich bill are proposed for this very purpose. They have taken advantage of unsatisfactory conditions in certain other parts of the lithographic industry to have the rates increased without discrimination on these articles, which are already overtaxed.

It may seem to you a small matter, but this one-tenth of imported cigar labels and bands is very important to us whether we use domestic goods or foreign goods in our business, since this remnant of possible competition is the only check on the trust to prevent it from arbitrarily dictating terms and prices to the cigar manufacturers, reducing the quality of the goods offered, and preventing the cigar manufacturers and box makers from obtaining the high-grade labels and bands which they consider essential to their industry.

We beg that you will use every effort to prevent any increase whatever from the Dingley rates, and we urge upon you to use your endeavors to obtain, if possible, a reduction in the existing rates on labels (as distinguished from bands) since the ad valorem tax on labels is very high and not more than one-tenth of the total importation consists of labels.

The following schedule shows the present duties and their ad valorem equivalents as well as the rates in the proposed Aldrich bill with their

ad valorem equivalents, and the rates which we petition to be adopted, with corresponding ad valorem equivalents:

	Rates which we ask.	Equivalent ad valorem.	Senate bill.	Equivalent ad valorem.	Dingley bill.	Equivalent ad valorem.
	Cents.	Per ct.	Cents.	Per ct.	Cents.	Per ct.
Labels, less than 8 colors.....	15	34½	25	57½	20	46
Bands, less than 8 colors.....	20	23	30	34½	20	23
Labels, 8 or more colors.....	25	48	30	57	30	57
Bands, 8 or more colors.....	30	33	35	38½	30	33
Labels, metal leaf.....	40	40	50	50	50	50
Bands, metal leaf.....	45	30	55	36	50	33

Bronze to be counted as two colors, as under the Dingley tariff.

There are 5,265 cigar factories in New York State, according to the report of the Commissioner of Internal Revenue for 1908, manufacturing more than a billion and a half of cigars, besides a large number of cigar-box factories, and these factories employ many thousands of workmen. You will therefore see that the interest of New York State in this matter is a very large one and entitled to protection from the rapacious demands of a few lithographic factories.

We beg that you will take up this question and prevent the Republican party from making a mistake which will cost it many thousands of votes. This petition, owing to the shortness of time still remaining for action, is signed only by a number of representative firms, but your assistance is asked for in the interest of all the cigar and cigar-box manufacturers of the State of New York.

Fitzpatrick & Draper, O'Connor & Elkenburgh, J. H. Broderick, J. J. Conway Tobacco Company, James McGahan & Brother, Quinn Brothers, Hess Brothers, Troy, N. Y.; J. W. Stevens, Metzner Brothers, B. Payn's Sons' Tobacco Company, Lawrence Goldberg, Dearnstyno Brothers Tobacco Company, George B. Russell & Sons, John A. Davison Cigar Box Factory, White Brothers, Albany, N. Y.

Mr. SMOOT. The amendment that will be offered by the committee, so far as the labels and flaps are concerned, will be the old Dingley rate. But as far as the bands are concerned, there is an advance upon them; and I will state also that the cigar makers themselves, or representatives from the cigar makers, admitted that the rate upon the bands was too low. The importations show that.

There is another thing which must be taken into consideration, and that is this: When the law was enacted, the bands came in in a square shape. The white part of the band was cut out or cut away from the printed part. But now they print them in the figure in the band and cut every particle of the weight of the paper outside of just the printed or lithographed part, and the weight of the band has been reduced almost half. It is for that reason that the cigar makers themselves admit that the rate is too low, and that is the reason why we advance the rate upon the bands. But on the flaps and labels the rates are the same as the Dingley rate.

Mr. BACON. Will the Senator permit me to ask him a question?

Mr. SMOOT. Certainly.

Mr. BACON. Are the bands which accompany the foreign cigars printed also in this country?

Mr. SMOOT. On a foreign cigar? Oh, no.

Mr. BACON. Is it a band which represents them as a foreign cigar?

Mr. SMOOT. No; it does not represent them as a foreign cigar, but the band itself is a foreign band, and it is imported here because they want that particular kind of band.

Mr. LODGE. They are imported in large sheets.

Mr. BACON. I understand.

Mr. LODGE. For use on American cigars.

Mr. BACON. They are put upon American cigars and they are represented as American cigars?

Mr. LODGE. I suppose so.

Mr. BACON. The bands represent them as American cigars?

Mr. ALDRICH. Not necessarily.

Mr. LODGE. Not necessarily.

Mr. BACON. That is the point. It is whether or not the bands imported from abroad are brought here for the purpose of imposition, by placing them upon domestic cigars and thus palming them off as foreign cigars.

Mr. LODGE. I suppose they put on any effigy or sign the maker desires.

Mr. BACON. That is the point of the inquiry I made—whether those bands were bands printed abroad and representing the cigars to which they are affixed to be foreign cigars.

Mr. SMOOT. I never heard of any charge to that effect, even from the American lithographers. So I do not think it has ever been done.

Mr. BACON. Then there is no, or is there any, competition between these foreign bands and the domestic bands?

Mr. SMOOT. Oh, very strong competition, and of late years the importations have increased several hundred times over.

Mr. BACON. Then it must be that these are bands for domestic cigars and are so represented.

Mr. SMOOT. That is what I said before.

Mr. BACON. That is the point I was after.

Mr. LODGE. That is it.

Mr. ALDRICH. I send to the desk and ask to have read a proposed amendment to paragraph 408. After it is read, I will ask that it may go over.

Mr. SCOTT. Mr. Chairman, will you not have it printed?

Mr. ALDRICH. Let it be printed in the Record and as an amendment.

The SECRETARY. In lieu of the substitute for paragraph 408 insert:

408. Pictures, calendars, cards, labels, flaps, cigar bands, placards, and other articles, composed wholly or in chief value of paper lithographically printed in whole or in part from stone, metal, or material other than gelatin (except boxes, views of American scenery or objects, and music, and illustrations when forming part of a periodical or newspaper, or of bound or unbound books, accompanying the same, not specially provided for in this section), shall pay duty at the following rates: Labels and flaps, printed in less than eight colors (bronze printing to be counted as two colors), but not printed in whole or in part in metal leaf, 20 cents per pound; cigar bands of the same number of colors and printings, 30 cents per pound; labels and flaps printed in eight or more colors, but not printed in whole or in part in metal leaf, 30 cents per pound; cigar bands of the same number of colors and printings, 40 cents per pound; labels and flaps, printed in whole or in part in metal leaf, 50 cents per pound; cigar bands, printed in whole or in part in metal leaf, 55 cents per pound; all labels, flaps, and bands not exceeding 10 square inches cutting size in dimensions, if embossed or die cut, shall pay the same rate of duty as hereinbefore provided for cigar bands of the same number of colors and printings (but no extra duty shall be assessed on labels, flaps, and bands for embossing or die cutting); booklets, 7 cents per pound; books of paper or other material for children's use, not exceeding in weight 24 ounces each, 6 cents per pound; fashion magazines or periodicals, printed in whole or in part by lithographic process, or decorated by hand, 8 cents per pound; booklets, decorated in whole or in part by hand or by spraying, whether or not lithographed, 15 cents per pound; decalcomanias in ceramic colors, weighing not over 100 pounds per thousand sheets 20 by 30 inches in dimensions, 70 cents per pound and 15 per cent ad valorem; weighing over 100 pounds per thousand sheets 20 by 30 inches in dimensions, 22 cents per pound and 15 per cent ad valorem; if backed with metal leaf, 65 cents per pound; all other decalcomanias, except toy decalcomanias, 40 cents per pound; but all the foregoing, if containing less than one-half of 1 inch margin on any side, shall pay in addition to the rates herein provided, 10 per cent ad valorem; all other articles than those hereinbefore specifically provided for in this paragraph, not exceeding eight one-thousandths of 1 inch in thickness, 20 cents per pound; exceeding eight and not exceeding twenty one-thousandths of 1 inch in thickness, and less than 35 square inches cutting size in dimensions, 8½ cents per pound; exceeding 35 square inches cutting size in dimensions, 8 cents per pound, and in addition thereto on all of said articles exceeding eight and not exceeding twenty one-thousandths of 1 inch in thickness, if either die cut or embossed, one-half of 1 cent per pound; if both die cut and embossed, 1 cent per pound; exceeding twenty one-thousandths of 1 inch in thickness, 6 cents per pound: *Provided*, That in the case of articles hereinbefore specified the thickness which shall determine the rate of duty to be imposed shall be that of the thinnest material found in the article; but for the purposes of this paragraph the thickness of lithographs mounted or pasted upon paper, cardboard, or other material shall be the combined thickness of the lithograph and the foundation on which it is mounted or pasted.

The PRESIDING OFFICER. The amendment will be printed and the paragraph passed over.

Mr. ALDRICH. For paragraph 409 we have no substitute, but I ask to amend the paragraph in line 11 by striking out, after the word "three," the words "and one-half."

The SECRETARY. On page 165 in the committee amendment, line 11, after the word "three," strike out the words "and one-half," so as to read "3 cents per pound."

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the paragraph as amended will be agreed to.

Mr. PILES. I should like to look into the matter. I have had some communications on the subject.

Mr. ALDRICH. If the Senator desires to have it go over until to-morrow, I am willing.

Mr. PILES. I should like to have it go over.

Mr. ALDRICH. Very well. Then I will ask that paragraph 410 be agreed to.

Mr. BROWN. I should like to ask the chairman of the committee—

The PRESIDING OFFICER. Paragraph 410 has been agreed to.

Mr. ALDRICH. On page 165, line 26, after the words "ad valorem," insert the words I send to the desk.

The SECRETARY. On page 165, paragraph 411, in line 25, after the words "ad valorem" and the semicolon, insert "cardboard and bristol board."

The amendment was agreed to.

The SECRETARY. On page 166, line 2, after the word "hanging," insert "with paper back or composed."

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. We have an amendment to paragraph 412, in regard to view cards, which I send to the desk to be read. I shall not ask to have it acted upon to-night, but I ask that it may be printed with a view of having it brought to the attention of the Senate.

Mr. CLAY. With the Senator's permission, since he has asked that the amendment be printed, I ask the Senator whether or not the committee has agreed to make any changes in paragraph 405; and if so, has the Finance Committee reported the amendments to the Senate and have they been printed?

Mr. ALDRICH. The committee will take that matter up to-night, and I hope we will be able to report an amendment to-morrow morning.

Mr. CLAY. It is an important paragraph, and I have had many inquiries from my State in regard to it. I think we ought to know what amendment the committee agrees on, so that we may have it before us before it will be necessary to act upon it.

Mr. ALDRICH. The committee will take up that matter to-night and try to report the amendment to-morrow.

The PRESIDING OFFICER. The Secretary will read the amendment proposed by the Senator from Rhode Island.

The SECRETARY. At the end of paragraph 412, strike out the period and insert a semicolon and the following:

Views of any landscape, scene, building, place, or locality in the United States, on cardboard or paper, not thinner than eight one-thousandths of 1 inch, by whatever process printed or produced, including those wholly or in part produced by either lithographic or photogelatine process, except show cards and panels, occupying 35 square inches or less of surface per view, bound or unbound, or in any other form, 15 cents per pound and 25 per cent ad valorem; thinner than eight one-thousandths of 1 inch, \$2 per thousand.

Mr. LODGE. I wish to offer an amendment to paragraph 657, to make it read correctly. We did not get it right. I want to strike out "regalia and gems," so that this paragraph will begin with the word "Statuary," with a capital S, and read "Statuary, and casts of sculpture, for use as models or for art or educational purposes only;" then insert "regalia and gems;" then at the end of the paragraph, line 24, insert "rosaries not composed wholly or in part of gold or precious stones."

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. On page 117, line 5, paragraph 334, the 30 per cent ad valorem should be made 35 per cent ad valorem. The bill, as it passed the House, put flax, and so forth, on the free list, and the committee recommended that it be restored to the dutiable list. The Senate has voted in accordance with their suggestion. It was the intention of the committee to restore the duties, or some of the duties, on yarns and cloths to the rates which they bore under the old law, when there was a duty upon flax. But this one was omitted. It should be 35 per cent instead of 30 on yarns finer than No. 5.

The SECRETARY. On page 117, paragraph 334, line 5, strike out the word "thirty" and insert "thirty-five," so that it will read:

If finer than 5 lea or number, 35 per cent ad valorem.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. NELSON. I offer an amendment, to be inserted at the appropriate place in the administrative paragraphs of the bill. I think there is no objection to it. It is similar to the provisions in the existing law in reference to the St. Johns and St. Croix rivers in Maine. I offer it as an amendment, to be acted upon now, to be inserted at the proper place in the bill when it is made up.

Mr. ALDRICH. It may go into the free list, and we will put it in the right place hereafter.

Mr. NELSON. Yes; put it at the end of the free list now, and it can be put in at the proper place when they make up the bill finally.

Mr. KEAN. Let it be read.

The SECRETARY. It is proposed to insert the following:

That the produce of the forests of the State of Minnesota upon the Rainy River and its tributaries owned by American citizens and sawed or hewed or mechanically ground in the Province of Ontario by American citizens, the same being otherwise unmanufactured in whole or in part, shall be admitted into the ports of the United States free of duty, under such regulations as the Secretary of the Treasury shall from time to time prescribe.

Mr. ALDRICH. There is no objection to that; it is the same provision that applies to the St. Croix River and the St. Johns River, in Maine. It may be agreed to.

The amendment was agreed to.

Mr. BURKETT. The Senate was on paragraph 657 a moment ago. I want to suggest an amendment in there, including the

regalia, the paraphernalia, and so forth, of fraternal or beneficial organizations.

Mr. LODGE. Those are included now.

Mr. ALDRICH. I think so.

Mr. BURKETT. I have understood they were, but I have had some correspondence with the heads of some of those organizations, and they fear they are not included, and ask that they be enumerated.

Mr. GALLINGER. They ought to go in.

Mr. BURKETT. I have understood they were intended to be included, and I think, perhaps, there would be no objection to inserting in line 15 the words "fraternal or beneficial organizations," or "societies." "Fraternal and beneficial associations" probably would be better.

Mr. ALDRICH. There is no objection to that.

Mr. BURKETT. Let it come in in line 15.

Mr. ROOT. I suggest that it is a little dangerous to specify any organization. Here is a provision which has been the substance of the law for a long time. It has been applied generally to a certain number of organizations, and it is a dangerous thing to specify one lest you exclude the others.

Mr. BACON. I would like to suggest to the Senator from New York that we set the precedent when we specified certain kinds of plum trees.

Mr. ROOT. I understand the Senator from Kansas has discovered what that plum tree is.

Mr. BURKETT. I will not name any particular organization.

Mr. LODGE. Such as the Masonic order—

Mr. BURKETT. No; I shall not ask the insertion of the name of any particular organization. I have a letter from the head of an organization suggesting that they have had trouble with Canada over this matter—the admission of their paraphernalia there—and that if the words could be put in it would relieve the situation. The special order that I have in mind is that of the Modern Woodmen, I will say. The head of that organization wrote me.

Mr. LODGE. Fraternal associations.

Mr. BURKETT. Fraternal and beneficial associations.

Mr. GALLINGER. "Societies or associations."

Mr. LODGE. I want to say that my understanding of this paragraph is that the regalias of these orders—Masonic orders and the other orders—all come in free under this paragraph. I did not suppose any would be excluded. If it needs amendment, it ought to be in that direction.

Mr. BURKETT. I will be glad if this matter could go over, and I can sit down with the Senator in a moment and get the proper wording.

Mr. LODGE. Very well. If the Senator will let it go over, and if an amendment is necessary, we can agree on its proper wording.

REPORT UPON GERMAN MANUFACTURES.

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read.

Mr. LA FOLLETTE. I ask that the message and the accompanying correspondence be printed as a document.

Mr. STONE. Just a moment. I should like to inquire if the present occupant of the chair can give the Senate any information as to when that German report will be laid before the Senate?

Mr. ALDRICH. I think the German report which the Senator from Missouri has in mind was printed eight or ten days ago, or two weeks perhaps. I have been expecting to have the attention of the Senate called to it by the Senator from Missouri.

Mr. STONE. There was a little pamphlet printed, that was prepared by the Senate Finance Committee.

Mr. ALDRICH. Oh, no; the report itself has been printed.

Mr. STONE. The entire report?

Mr. ALDRICH. I thought it had been received. I was not certain about it. It seems I am mistaken. The translation has not been completed. It is in the hands of the State Department for translation.

Mr. STONE. Can the Senator give me any information that will enlighten me?

Mr. ALDRICH. I will try to have some by to-morrow morning.

Mr. GALLINGER. I suggest to the Senator from Wisconsin that as this correspondence is not at all voluminous it be printed in the RECORD as well as in the form of a document (S. Doc. No. 99). It might take several days to get the document.

Mr. LA FOLLETTE. I think that is a good suggestion, and I include it in my request.

Mr. GALLINGER. I make that request.

The PRESIDING OFFICER. In the absence of objection, the request of the Senator from New Hampshire is agreed to.

To the Senate:

In response to the Senate's resolution of June 4, 1909, requesting the President, "if not incompatible in his judgment with the public interest, to transmit to the Senate copies of all the correspondence which passed between the Department of State and the German Government, or between any representative of the United States and officials of the German Government, having relation to the report upon German manufactures furnished by the German Government to the United States," I transmit herewith a report by the Acting Secretary of State, with accompanying papers.

WM. H. TAFT.

THE WHITE HOUSE, June 16, 1909.

The President:

The undersigned, Acting Secretary of State, to whom was referred the resolution adopted by the Senate on June 4, 1909, requesting the President, if not incompatible, in his judgment, with the public interest, "to transmit to the Senate copies of all the correspondence which passed between the Department of State and the German Government, or between any representative of the United States and officials of the German Government, having relation to the report upon German manufactures furnished by the German Government to the United States," has the honor to submit herewith the copies requested and to report as follows:

Toward the end of the first session of the Sixtieth Congress, the House of Representatives, by resolution, authorized the Committee on Ways and Means to sit during the recess of Congress and to gather such information through United States government agents or otherwise as it might see fit looking to the preparation of a bill for the revision of the tariff.

On June 1, 1908, the chairman of the Committee on Ways and Means addressed the President in the following terms:

"It is the desire of the committee to obtain information from the various representatives abroad in regard to the cost of production, including the price of labor, rates of interest, and so forth, and the committee will be very glad to have the cooperation of the State Department in order to obtain this information. When reports are received from the various representatives of the Government abroad, it will be necessary to have them tabulated. If these reports can be placed at the disposal of the committee as soon as received, we could then take measures for their tabulation, and it is desirable that the committee be authorized to call upon any bureau of the Department of Commerce and Labor for this purpose."

The letter was referred by the President to the Secretary of State, by whose direction a circular instruction was prepared by the Bureau of Trade Relations of the Department of State, in collaboration with the clerk of the Committee on Ways and Means and the Bureau of Labor of the Department of Commerce and Labor, calling upon the consular officers to prepare and transmit at the earliest practicable date a report containing answers to certain questions concerning industries, labor conditions, cost of production, prices, exports to the United States, and foreign tariffs. This circular, a copy of which is among the papers submitted, was not confined to the consular officers in Germany, but was sent to all the principal American consular officers throughout the world. The reports were sent as received to the Committee on Ways and Means of the House of Representatives.

It appearing from a report from the consul-general at Berlin that, with respect to Germany, so much of the information sought by the Ways and Means Committee as related to cost of production could best be obtained through the diplomatic channel, the American ambassador at Berlin, acting under instructions from the department, presented the matter to the German Government. That Government responded favorably, and obtained the information on the understanding that the names of the individual establishments furnishing it would not be disclosed and that the information would not be used for administrative purposes.

The information thus courteously furnished by the German Government was received by the department in duplicate, one set through the American ambassador at Berlin and the other through the German ambassador at Washington. The department was thus enabled to supply a set not only to the Committee on Ways and Means, but to the Senate Committee on Finance as well.

This was the situation when, on May 25, 1909, the Senate, by resolution, requested the President, "if not incompatible, in his judgment, with the public interest, to transmit to the Senate the statement of the German Government or its officers in relation to the wages paid to German workmen, for the use of the Senate in connection with its consideration of the pending tariff bill."

Consequently, the Secretary of State, in reply to the reference of this resolution to him, was obliged to report to the President that all the information on this subject which had been received from the German Government had been transmitted by the Department of State to the Committee on Finance of the Senate. This report was transmitted to the Senate by the President on May 28, 1909. Later on that day the papers were returned to the Department of State from the Committee on Finance and were transmitted by the President to the Senate in further response to its resolution, and they are now before that body.

Respectfully submitted.

HUNTINGTON WILSON,
Acting Secretary of State.DEPARTMENT OF STATE,
Washington, June 14, 1909.

LIST OF PAPERS.

Circular instruction to American consular officers, June 15, 1908.
Mr. Thackara (consul-general at Berlin) to Mr. Bacon, No. 178, September 10, 1908.
Mr. Adee to Mr. Cortelyou, October 31, 1908.
Mr. Cortelyou to Mr. Root, November 9, 1908.
Mr. Bacon to Mr. Hill, November 18, 1908.
Mr. Guenther (consul-general at Frankfurt) to Mr. Bacon, November 28, 1908.
Mr. Root to Mr. Guenther, No. 305, December 18, 1908.
Mr. Hill to Mr. Root, No. 164, December 11, 1908.
Mr. Hill to Mr. Knox, No. 254, March 27, 1909.
Count von Bernstorff to Mr. Knox, March 31, 1909.

Mr. Hill to Mr. Knox, No. 264, April 13, 1909.
Mr. Hill to Mr. Knox, No. 266, April 13, 1909.
Count von Bernstorff to Mr. Knox, April 23, 1909.
Mr. Wilson to Count von Bernstorff, No. 48, April 23, 1909.
Mr. Wilson to Mr. Hill, No. 153, April 23, 1909.
Mr. Hill to Mr. Knox, May 6, 1909.

In reply refer to file No. 13911.

INDUSTRIAL CONDITIONS IN FOREIGN COUNTRIES.

DEPARTMENT OF STATE,
Washington, June 15, 1908.*To the American Consular Officers.*

GENTLEMEN: The Committee on Ways and Means of the House of Representatives having been authorized to sit during the recess of Congress and to gather such information, through government agents or otherwise, as to it may seem fit looking toward the preparation of a bill for the revision of the tariff of the United States, you are instructed, at the request of its chairman, the Hon. SERENO E. PAYNE, Member of Congress, to prepare and transmit, at the earliest practicable date, a report, in duplicate, containing answers to the following questions:

I. INDUSTRIES.

- (1) Describe briefly the principal industries of your respective districts, specifying, in the case of manufactures, the kind of goods manufactured; in agriculture, the articles produced; in mining, the product mined, etc.
- (2) Principal foreign markets of such products as are exported in considerable quantities from your district.
- (3) Sources of raw materials used by the manufacturing industries of your district.
- (4) Mention any noteworthy changes that have taken place in the various manufacturing industries of your district since 1897, and explain the causes.

II. LABOR CONDITIONS.

- (1) The department desires to obtain the prevailing rates of wages, the hours of labor per day, and the days usually worked per week, in the occupations named in Schedule A inclosed herewith.

The information should be obtained from employers directly or from authentic statistical reports of the locality, and for the year 1907 if possible.

Care should be taken that data are reported only for regular journeymen in the trades to which such term applies. For example, bakers (bread) should not include bakers' helpers, laborers, apprentices, or any persons employed in a bakery who are not journeymen bakers. Miners' laborers are called for specially. Notes are desired concerning farm laborers, stating the crops tended and the kind of work done. Extended notes are desired for coffee, rice, and sugar raising. The rates stated in the schedule proper should be for ordinary farm labor. If materially different rates are paid according to the season of the year, the facts should be noted.

The customary days worked per week are asked for each occupation. The desire is to ascertain the extent to which there is no rest day during the week.

Under "Hours worked per day" give the hours usually worked on the regular full day. If shorter hours are worked on any day of the week—for example, Saturday—the facts should be clearly stated in a note. "Hours worked" should be interpreted as in the United States, i. e., the hours the employees are on duty and presumably at work. Meal, lunch, or general resting time should not be included as hours worked.

Under "Rate of wages or earnings on full time" enter the prevailing wages for a full day's work or a full week's work, inserting the word day or week after the word "per." If there is a range of rates from a general low rate to a general high rate, the low and high rates may be given, but they should be followed always by the average rate; that is, the rate obtained by adding rates of the several employees and dividing the sum by the number of employees. Extreme high and low rates which are exceptional rather than representative should not be entered as high and low rates.

Perquisites and gratuities allowed in addition to rates shown should be set forth fully in notes, with estimates as to their value.

- (2) To what extent is (a) female labor and (b) child labor employed in the different manufacturing industries of your district?

- (3) Describe briefly the general condition of the working people in your district: cost and style of living; their homes, food, and clothes, and their ability to accumulate something for old age or sickness. The department desires that your reply to this question shall give a comprehensive view of the conditions surrounding and affecting labor in your district in order that a comparison of these conditions may be made with those which prevail in the United States.

III. COST OF PRODUCTION.

It is desired to obtain the cost of production of each of the articles named in the following list, and, in addition, of any other articles that are exported in considerable quantities from your district to the United States:

Automobiles; brass goods; brushes; buttons; carpets and rugs; cement; coal-tar colors and dyes; soda, nitrate of; chocolate; clocks and watches; bituminous coal; coke; cocoa, prepared; coffee; copper ore; copper, bars, ingots, or plates; cork, manufactures of; cotton—cotton cloth, knit goods and hosiery, laces; china, porcelain, parian, and bisque ware; fertilizers; fibers—flax fiber, hemp fiber, jute fiber; burlap; linen goods; fish, cured or preserved; glass, window; glass, bottles; glassware; fruit, prepared or preserved; hair; hats; india-rubber goods; iron ore; iron, manufactures of—pig iron, bar iron, steel ingots, blooms, etc. tin andterne plates, steel rails, cutlery, machinery, needles; jewelry; lead ore; lead, pig and bar; leather and hides; matted; dairy products—butter, cheese; musical instruments; oilcloths; paint; paper; pencils; perfumery; rice milling; shoes; silk throwing; silk goods; stone quarrying; liquors—malt liquors, distilled liquors, wines; sugar—sugar making, sugar refining; tobacco—tobacco, chewing and smoking, cigars; toys; vegetables, prepared or preserved; wood, manufactures of—log cutting, lumber mills, wood pulp; woolen and worsted goods; and wool scouring.

You are instructed to obtain this information from the producing establishments in your district or from any other sources that may be available to you. Blank copies of Schedule B are inclosed herewith, upon which you are instructed to make returns.

The name of the establishment will not be disclosed. It is needed only for identification in case of further correspondence. The article

should be stated specifically; as, ladies' fine shoes, unbleached cotton sheetings, Bessemer steel rails.

The cost may be shown in some cases for one article, but generally it will be given for a quantity, as 1 ton (2,240 lbs.), 1 gross, 1,000 yards, etc.

Care should be taken to describe each article accurately and completely, in order that it may be recognized from the description. Consideration should be given to quality, style, size, finish, fineness of goods, etc. For example, in textiles give the number of yarn used in weft and warp, the picks to the inch of warp and weft, weight per square yard and grade of material used. When practicable, submit a sample or a picture of the article produced.

In the best regulated establishments cost sheets are frequently worked out. Such sheets should be inquired for and used in preparing the schedules.

Printed or written matter available relating to the subject should be submitted with the schedules.

When single articles are produced the getting of cost should be easy. When several articles are being produced at the same time in an establishment the task will be more difficult, and a prorated estimate may have to be made for the particular article reported.

The year for which the figures are given should be stated, preferably the latest for which data are available.

The period on which the cost is based should be, if possible, not less than three months; it need not exceed one year.

The two items *a* and *g* are vital and without replies thereto these schedules will be of no value; *b* to *f* may be combined if not obtainable separately; *h*, *i*, and *j* are wanted, if obtainable.

The cost of material means the cost as delivered at the establishment.

The cost shown at *g* means the money actually expended in producing the article itself. The total at *g* should show what the article could be sold for at the establishment without either profit or loss on the items named from *a* to *f*.

The grand total at *k* should not include profit or loss, but show only cost for items *a* to *f* and *h* to *j*.

In one factory material may be received in more finished form than another. The facts should be set forth under description of material, as one factory making cotton cloth may start from the bale of cotton, the other may buy its yarn and weave only. The quality of the material should be described as fully as the article produced. It is desired that your own statement shall accompany each schedule, giving your opinion as to the probable correctness of the statements on the schedule.

In filling out the schedule great care should be exercised to observe that the cost of items in inquiry 8 be for the quantity of the articles stated in inquiry 5. For example, if inquiry 5 reports 1,000 yards for which cost is shown, item *a* under inquiry 8 should report the cost of the labor in producing 1,000 yards.

IV. PRICES.

(1) Prices at date of your report in the currency of the country and in the United States equivalents of the necessities of life and of industry, such as articles of clothing, tools and implements, hardware, drugs and medicines, and raw materials for manufacture.

(2) If these prices have been affected appreciably by the tariffs of the country in the last few years enumerate the articles and state to what extent prices have been affected.

V. EXPORTS TO THE UNITED STATES.

(1) Give comparative itemized statement of quantities and values of declared exports of merchandise from your district to the United States for the calendar years 1897 and 1907, showing the increase or decrease in any particular item.

(2) What effect, if any, has the present tariff of the United States had upon exportations from your district to the United States?

(3) Are there any items in the list of declared exports for 1907 that would be increased to any considerable extent, in your opinion, if the existing American duties thereon were reduced?

(4) Are there any articles of merchandise not appearing in the list of declared exports from your district which would probably be exported to the United States if the American duties were lower than at present?

VI. FOREIGN TARIFFS.

(1) Transmit a copy of the complete customs tariff of the country in which you are stationed, with all amendments up to date, including export duties, if any, as well as import duties, the customs regulations, and any bounty legislation relating to export of domestic products in the country of your official residence. This material may be sent as printed in the language of the country. In case an accurate English translation exists, it should be sent with the original text.

(2) Transmit a complete statement of the octroi and other local charges, other than regular customs duties, imposed on goods of foreign origin entering into consumption in your district.

In order to avoid needless duplication, the information relative to foreign tariffs need be furnished only by the consul-general or consul stationed at the capital of each country or colony, or, in the absence of such officer, by the consul-general or consul stationed at the principal commercial city of the country or colony.

The department desires that your report in answer to this circular instruction shall present a comprehensive, clear, and accurate picture of the general industrial conditions prevailing in your district. It should be transmitted to the department as soon as practicable in order that it may be placed at the disposition of the Committee on Ways and Means in time to afford opportunity for study and analysis of the material prior to the opening of the Congress in December, 1908.

I am, gentlemen,

Your obedient servant (for the Secretary of State),

WILBUR J. CARR, Chief Clerk.

Inclosures: Schedules.

SCHEDULE A.

WAGES AND HOURS OF LABOR.

Name of officer: _____

Official title: _____

Station: _____

Prevailing conditions as to wages and hours of labor at _____ in 190—, in specified occupations.

Source of information: _____

Occupation.	Sex.	Days worked per week.	Hours worked per day.	Rates of wages or earnings on full time. (Note all gratuities.)
Bakers, bread.	M.			
Building trades:				
Bricklayers.	M.			
Carpenters.	M.			
Laborers.	M.			
Painters.	M.			
Plumbers.	M.			
Stonecutters.	M.			
Cigar makers.	M.			
Clothing factory:				
Sewers, hand.	F.			
Sewing-machine operators.	F.			
Coal miners.	M.			
Coal miners' laborers.	M.			
Compositors.	M.			
Farm laborers.*	F.			
Glass blowers:				
Flint bottle.	M.			
Green bottle.	M.			
Window.	M.			
Horseshoers.	M.			
Iron blowers, Bessemer.	M.			
Iron heaters, bar iron.	M.			
Iron rollers:				
Bar iron.	M.			
Steel rail.	M.			
Iron-vessel men, Bessemer.	M.			
Kettle men, brewery.	M.			
Jigger men, pottery.	M.			
Laborers on street, hired by city.	M.			
Lumber:				
Choppers and sawyers in forest.	M.			
Sawyers, lumber mill.	M.			
Machinery, etc.:				
Blacksmiths.	M.			
Iron molders.	M.			
Machinists.	M.			
Paper mill:				
Beater tenders.	M.			
Paper-machine tenders.	M.			
Tannery hands, tannery.	M.			
Pattern makers, wood.	M.			
Shoes:				
Closers on b.	M.			
Upper cutters.	M.			
Silk culture.	F.			
Textiles:				
Cotton spinners.	M.			
	F.			
Silk spinners.	M.			
	F.			
Woolen spinners.	M.			
	F.			
Cotton weavers.	M.			
	F.			
Silk weavers.	M.			
	F.			
Woolen weavers.	M.			
	F.			
Woodworking-machine tenders.	M.			

* See instruction as to this occupation.

b Sewing linings to uppers, machine work.

SCHEDULE B. COST OF PRODUCTION.

Name of officer: _____

Official title: _____

Station: _____

1. Country: _____

2. Locality: _____

3. Name of establishment: _____

4. Article produced: _____

5. Quantity of article for which cost is shown: _____

6. Complete description of article: _____

7. Year and length of period on which cost is based: _____

8. Items of cost: _____

Cost for quantity named in question 5.

(a) Cost of labor.	
(b) Cost of materials, net.	
(c) Officials and clerks.	
(d) Fuel or water power (specify which).	
(e) Supplies and repairs.	
(f) Taxes.	
(g) Total actual cost (a to f).	
(h) Interest on investment (— per cent).	
(i) Depreciation (— per cent).	
(j) Insurance.	
(k) Grand total of cost (g to j).	

9. Description of material used and extent to which manufactured when received at this establishment: _____
10. Actual working days in period named in question 7: _____
11. Total expenditure for labor in period: _____
- Males 16 and over: _____
- Females 16 and over: _____
- Children under 16: _____
- Total: _____
12. Average number of persons employed during period: _____
- Males 16 and over: _____
- Females 16 and over: _____
- Children under 16: _____
- Total: _____
13. Hours of labor per day in this establishment: _____
14. Days worked per week in this establishment: _____
15. Hours of labor per week in this establishment: _____

No. 178.

AMERICAN CONSULATE-GENERAL,
Berlin, Germany, September 10, 1908.To the honorable the ASSISTANT SECRETARY OF STATE,
Washington.

SIR: Referring to department's circular instruction of June 15 last (File No. 13911), "Industrial conditions in foreign countries," I have the honor to state that, in my opinion, the most effective method of obtaining accurate and trustworthy information necessary to furnish the date asked for under Article III of said circular, "Cost of production," would be to cooperate with the German chambers of commerce.

Under the existing commercial agreement between the United States and Germany (Par. E, letter of the Secretary of State to the Imperial German ambassador at Washington of April 22, 1907), the confidential agents of the Treasury Department in their investigations of questions bearing upon customs administrations, are instructed to act in conjunction with the chambers of commerce of the districts in which the agents are located. Up to the present, at least as far as the confidential agent at Berlin is concerned, the practice has worked admirably. German manufacturers will open up their books more readily when asked to do so by their own chamber of commerce than when approached by a foreign outsider.

I have personally seen the president and secretary of the Berlin chamber, and both of these officers have informed me that they would aid me in the delicate and difficult task of getting the costs of production of certain German manufacturers, but that their organization being a semi-official one, under the administration of the ministry of commerce, permission would have to be obtained from the higher authority. Unofficially I called upon one of the officials of the ministry and asked him if the desired permission could be obtained. He stated that the question was of such importance that he would have to consult his chief, the minister of commerce. Yesterday I received a note from the gentleman on whom I had called, in which he stated that as the matter was of great importance it should be brought to the attention of the German Government through diplomatic channels.

In a recent conversation with Mr. Hill, our ambassador, he fully agreed with me that the best, if not the only, method of obtaining the desired information would be through the chambers of commerce, and that if the department was in favor of this means of procedure, he would send a note to the Imperial foreign office, asking that the chambers of commerce be requested to render the necessary assistance to American consular officers in their endeavors to obtain reliable and accurate data relating to the costs of production in Germany.

I would therefore respectfully ask the department, if the suggestion that the cooperation of the German chambers of commerce be requested meets with its approval, that cable instructions be sent to Ambassador Hill to make the necessary overtures to the German Government.

I have the honor to be, sir,
Your obedient servant,

A. M. THACKARA, Consul-General.

DEPARTMENT OF STATE,
Washington, October 31, 1908.

The honorable the SECRETARY OF THE TREASURY.

SIR: Referring to a circular instruction issued by the department to all American consular officers, under date of June 15, 1908, directing them to procure and transmit certain information for the use of the Committee on Ways and Means of the House of Representatives in connection with the proposed revision by the Congress of the tariff of the United States, copy of which circular is inclosed herewith for the confidential information of your department, I have the honor to transmit herewith copy of a dispatch from the American consul-general at Berlin, Germany, dated September 10, 1908, relative to the proposed cooperation of American consular officers with the German chambers of commerce in obtaining costs of production in Germany. It is suggested therein that the American ambassador at Berlin be instructed to take the matter up with the German Government, inviting the cooperation of the German chambers of commerce with the object stated.

The department would be pleased to have an expression of your views as to the expediency and feasibility of the plan proposed in the inclosed dispatch. An early reply would be much appreciated.

I have the honor to be, sir, your obedient servant,

ALVEY A. ADEE,
Acting Secretary.

Inclosures: 1. Circular to consular officers, June 15, 1908. 2. Dispatch No. 178, September 10, 1908, from American consulate-general at Berlin.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 9, 1908.

The honorable the SECRETARY OF STATE.

SIR: I have the honor to acknowledge receipt of your letter of the 31st ultimo, transmitting, for an expression of my views, a copy of a communication from the consul-general at Berlin, in which, referring to the State Department's circular of June 15 last, calling for data of costs of production for the Ways and Means Committee, he proposes that the German foreign office be requested to ask the chambers of commerce to cooperate with the American officers in securing such data.

The importance of the matter appears to justify the course proposed by the consul-general, which is doubtless the one best calculated to obtain the desired results. It is suggested, however, that the overtures made to the German Government be accompanied by assurances that the names of industrial establishments will not be disclosed and that the information sought is for the legislative branch, not for the use of the customs officers under section 8 of the customs administrative act.

Respectfully,

GEO. B. CORTELYOU, Secretary.

No inclosure.

DEPARTMENT OF STATE,
Washington, November 18, 1908.The Hon. DAVID J. HILL,
American Ambassador, Berlin.

SIR: The department incloses herewith copy of a dispatch from the American consul-general at Berlin, in which, referring to the department's circular of June 15, calling for data on costs of production for the Ways and Means Committee, he proposes that the German foreign office be requested to ask the chambers of commerce to cooperate with the American consular officers in securing such data. The department also incloses copy of a letter from the Secretary of the Treasury in regard to this proposition.

Understanding that you have advocated this course in your conference with the consul-general, the department authorizes you, in the exercise of your judgment as to its expediency, to present the matter to the German Government, with assurances, however, that the names of the industrial establishments will not be disclosed and that the information sought is for the legislative branch and not for the use of customs officers of the United States under section 8 of our customs administrative act.

I am, sir,
Your obedient servant,

ROBERT BACON,
Acting Secretary.

Inclosures: 1. Dispatch from American consulate-general, No. 178, September 10, 1908. 2. Secretary of the Treasury to Secretary of State, November 9, 1908.

No. 580.

AMERICAN CONSULATE-GENERAL,
Frankfort-on-the-Main, November 28, 1908.The honorable ASSISTANT SECRETARY OF STATE,
Washington, D. C.

SIR: On October 9, 1908, I addressed a letter to each of the chambers of commerce in my consular district, namely, those at Frankfort, Hanau, Offenbach, Aschaffenburg, Darmstadt, Cassel, Wiesbaden, Mainz, Bingen, Coblenz, Trier, and Limburg, stating that I would be under great obligations if I could receive answers to certain questions contained under 1 and 2 (Industries and Labor Conditions), of department's circular of June 15, 1908, file No. 13911, Industrial Conditions in Foreign Countries, stating that I had been instructed by my Government to answer these questions for the use of the Committee on Ways and Means of the United States House of Representatives for the purpose of framing a bill for the revision of the United States tariff. Of the chambers of commerce addressed I received replies from only six of them, the chamber of commerce at Aschaffenburg stating, under date of October 30, that they were not in a position to make answers; the chamber of commerce at Darmstadt, which, under date of November 2, sent me the annual report of the Hessian Chambers of Commerce, and stated that they were not able to answer my questions except in a very unsatisfactory manner, and that therefore they believed it best not to attempt it. The chamber of commerce of this city wrote me on November 19 that in answer of my letter of October 9 they regretted not to be able to answer the questions submitted, but they would leave it to me to apply to the Government with reference to the subject; the three original letters from the chambers of commerce at Cassel, Mainz, and Offenbach I transmitted to the department with my report of October 22, 1908.

On November 23, I received a letter from the royal police presidency of this city, requesting me, in very polite language, to call at the office with reference to a matter of a confidential nature.

I complied with the request at once, and was told that the office had received a communication from the ministry at Berlin informing the police presidency that I had addressed a number of chambers of commerce stating the request contained in these letters; that the police president was instructed to furnish me with the information asked for, if such were available. I was informed that to their great regret they could not do so, as the necessary material was not available, except such data as I undoubtedly possessed myself.

I was also informed that in future similar information from the chambers of commerce or other public authorities should be procured through the diplomatic channel.

I have the honor to be, sir,

Your obedient servant,

RICHARD GUENTHER,
Consul-General.DEPARTMENT OF STATE,
Washington, December 18, 1908.RICHARD GUENTHER, Esq.,
American Consul-General,
Frankfort-on-Main, Germany.

SIR: I have to acknowledge the receipt of your dispatch, No. 580, of the 28th ultimo, procuring information regarding the cost of production, price of labor, etc.

In reply, I have to say that the ambassador at Berlin has been duly instructed in regard to approaching the German Government in the matter, at the suggestion of the consul-general at Berlin.

I am, sir,

Your obedient servant (for the Secretary of State),

W. J. CARR, Chief Clerk.

No. 164.

EMBASSY OF THE UNITED STATES,
Berlin, December 11, 1908.The Hon. ELIHU ROOT,
Secretary of State, Washington, D. C.

SIR: I have the honor to acknowledge the receipt of the department's instruction of the 18th ultimo, authorizing me, in the exercise of my judgment as to its expediency, to present to the German Government a request that the German chambers of commerce cooperate with our

consular officers in this country with a view to securing the data relating to costs of production called for by the department's circular of June 15 last for the use for the Committee on Ways and Means of the House of Representatives.

After careful consideration and further conference with the consul-general in Berlin, I have addressed a note on the subject to the foreign office, of which a copy is appended hereto.

While this request may not result in procuring all the information desired, which it is probably impossible to obtain by any method, it will certainly not diminish the chances of obtaining it, and will, it is believed, leave the whole matter in a better position than it otherwise would be by showing that no secret inquisition has been intended. It will also exclude the possibility of complaint that our Government has employed untrustworthy data, since it will have employed all that can be obtained through official channels.

I have the honor to be, sir, your obedient servant,

DAVID J. HILL.

No. 193. (To accompany dispatch No. 164.)

EMBASSY OF THE UNITED STATES OF AMERICA,
Berlin, December 10, 1908.

The undersigned American ambassador has the honor to inform His Excellency the Imperial German secretary of state for foreign affairs that the Government of the United States of America, being about to consider the revision of its customs tariff, desires to obtain such authentic information as will best aid it in making such changes as the industrial and commercial conditions of the present time may seem to justify, and as will be most just toward other countries.

To this end the Committee on Ways and Means of the House of Representatives, which has this subject in charge, has requested such data to be collected as may be available regarding the cost of production of certain specified articles or classes of articles in foreign countries. It was at first thought that the most direct and convenient method of procuring this information might be through the immediate application of the consular officers of the United States to those manufacturers who might be able and willing to furnish it. In order to give more unity to the method of inquiry, to secure more uniform results, and to accompany the requests for information with proper assurances of the purposes for which it is intended to be used, the undersigned is directed to state that it is desired that this investigation be conducted under the observation, with the approval, and, it is hoped, with the cooperation of the various chambers of commerce. The undersigned therefore has the honor to lay before His Excellency the request of his Government that the permission of the Imperial German Government be given to the chambers of commerce in the Empire to cooperate with the consular officers of the United States in this matter, and that the assurance may be communicated to the chambers of commerce, and through them to the various producers concerned, that the information sought is for the legislative branch, and not for the use of customs officers of the United States under section 8 of our customs administrative act. The undersigned is also authorized to say that the names of the industrial establishments furnishing the information desired will be treated confidentially and not disclosed.

The undersigned avails himself of the opportunity to renew to his Excellency the assurance of his highest consideration.

DAVID J. HILL.

To His Excellency HERR VON SCHOEN,
Imperial Secretary of State for Foreign Affairs, etc.

No. 254.

EMBASSY OF THE UNITED STATES,
Berlin, March 27, 1909.

The Hon. P. C. KNOX,
Secretary of State, Washington, D. C.

SIR: With reference to the department's unnumbered instruction of November 18, 1908 (file No. —), authorizing me to endeavor to secure through the foreign office the data as to costs of production in Germany, called for by the department's circular instruction of June 15, 1908, for the use of the Ways and Means Committee, I have the honor to inform you that I have this morning received a note from the foreign office, of which a copy with translation is inclosed herewith, transmitting the data in question, which have been collected by the various German governments through the chambers of commerce and from individual firms. It will also be observed that the chambers of commerce have examined the reports of the hearings before the Ways and Means Committee and take exception to the accuracy and completeness of the material there presented.

In view of the fact that the embassy's mail pouch leaves this afternoon and that the material furnished by the foreign office will be of little use unless it reaches the committee promptly, I inclose only one copy of the same, without translation, retaining the other pending the receipt of instructions as to whether it should be translated at this embassy, where the facilities for executing such voluminous and technical translations with promptness and accuracy are limited, or whether it should also be forwarded without the English rendering.

I have the honor to be, sir,
Your obedient servant,

DAVID J. HILL.

Accompanying: 1. The German minister for foreign affairs to Mr. Hill, March 25, 1909. 2. One set of the duplicate inclosures accompanying the same.

(To accompany dispatch No. 254.)

Translation of a note from the Imperial German Foreign Office, dated March 25, 1909.

FOREIGN OFFICE.

With reference to the note of the 10th of December last, F. O. No. 193, on the subject of inquiries relative to the costs of production of the principal articles exported from Germany to the United States, and in supplement to the note of the foreign office dated January 13 last, No. 11 U 85, the undersigned has the honor to inform His Excellency Mr. David Jayne Hill, ambassador extraordinary and plenipotentiary of the United States of America, that the proper internal quarters have placed themselves in communication with the chambers of commerce and industrial associations concerned through the agency of the various federal governments. These have collected the pertinent material, which is inclosed in duplicate, together with three samples of silk embroidery (in an envelope, Schedule L).

The undersigned begs to make the following remarks on the subject: The chambers of commerce and industrial associations in collecting the material have consulted the protocols of the tariff hearings before the Committee on Ways and Means of the American House of Representatives, and have examined the statements contained therein relative to the costs of production in Germany. This examination has led to numerous exceptions to the statements asserted by the committee. Especially the following general points of view are continually brought up:

In the comparative tables on wages in the United States of America and Germany data concerning the German conditions have in many cases been utilized which cover conditions of many years ago and have no longer any significance for the present day; in calculating American wages the highest rates have been taken as a basis, while in computing German wages the lowest rates have been taken; the increase in cost of German production by social burdens has been left out of consideration; the comparison of absolute earnings gives an inaccurate impression, because the work accomplished by American laborers is perceptibly greater than that of the German laborers, partly in itself and partly through the more comprehensive employment of machine work; if the wages for piecework to be used for the manufacture of the separate article are calculated, the difference between the German and American wages is perceptibly less than would appear from the statements concerning wages on time; in comparing wages on time attention should be paid to the fact that it is customary in America to discharge a large number of the laborers in times of economic depression, and under certain circumstances to stop work wholly, while in Germany the employers restrict as far as possible the discharge of workmen and they use all possible means to keep the workmen in employment even during depression in business. It is often in Germany the case that old workmen who are no longer wholly capable continue to be employed under full wages. A number of firms which complained of insufficient tariff protection before the Committee on Ways and Means underbid German manufacturers in the interior market of Germany as well as in the American market (cf., among the inclosures the printed document relative to duties on productions of lithography, pp. 6 and 7, and the two inclosures belonging thereto). In many cases inaccurate statements have been made concerning the extent and duration of female and child labor, in contradiction to the regulations now in force in Germany.

As regards the last point, reference should be made to the statutory regulations concerning female and child labor in Germany (Reichsgesetzblatt No. 14, April 2, 1903, and supplement to No. 2 of the Ministerialblatt der Handels und Gewerbeverwaltung, January 23, 1909), two copies of which are attached, and to the compilation of the statutory regulations and ordinances of the federal council which, together with the law relative to child labor in industrial concerns, dated March 30, 1903, have remained in force; two copies of the compilation are inclosed. Since from this the employment of children under the age of 13 and of children of school age over 13 in factories, as well as in establishments mentioned in the compilation under I and in section 4 of the children's protection law, is absolutely prohibited; now, since compulsory school attendance generally lasts to the completion of the fourteenth year, the employment of children under the age of 14 in factories and the industrial establishments mentioned is only a matter of a small number of children who for some special reasons have finished school before the completion of the fourteenth year, and even then it is only the question of a period of a few months. In so far as the employment of children in factories and the industrial establishments named comes into question at all according to the said laws, it is subject to restrictions laid down for youthful workmen mentioned under II in the compilation.

The undersigned avails himself of this opportunity to renew to his Excellency the expression of his most distinguished consideration.

SCHOEN.

His Excellency Mr. DAVID JAYNE HILL,
Ambassador of the United States of America.

(Translation.)

GERMAN EMBASSY,
Washington, March 31, 1909.

MR. SECRETARY OF STATE:

The United States ambassador at Berlin sometime ago requested the foreign office to procure reliable information regarding the cost of production of goods exported by Germany chiefly to the United States.

I took the liberty recently to transmit to the State Department duplicate copies of the matter which was furnished to His Excellency Mr. Hill, at Berlin, in compliance with his request.

I have the honor to inclose to your Excellency some further information of this character which has been compiled by German commercial associations and officials.

In view of the present tariff discussion in Congress, I assume that these data will also be of interest to the United States Government.

Please accept, Mr. Secretary of State, the renewed assurance of my most distinguished consideration.

BERNSTORFF.

His Excellency Mr. P. C. KNOX,
Secretary of State of the United States, Washington, D. C.

EMBASSY OF THE UNITED STATES,
Berlin, April 13, 1909.

The Hon. P. C. KNOX,
Secretary of State, Washington, D. C.

SIR: Referring to my dispatch, No. 254, of March 27, 1909, and my telegram of the same date, I have the honor to inform you that, receiving no reply in answer to the question whether it was desired that the voluminous and technical inclosures from the German Government be translated here, I have sent the duplicate copy to the department by the hand of Consul-General Thackara, who wished to have the opportunity to examine them during his voyage to the United States. It is expected that he will have delivered the duplicate inclosures before the arrival of this dispatch.

It may be of interest to know that the German press has not entirely approved the action of the Imperial Government in furnishing for the use of the United States Congress the facts regarding cost of production of certain German manufactures, as is evident from the inclosure transmitted herewith, with translation, taken from the Berliner Tageblatt.

With regard to the insinuation that this information was sought in order to be given out by the American Government for the benefit of various American industries, these critics are probably not aware of the

terms of absolute confidence upon which these facts were asked for and furnished, by which a point of national honor is involved in the use made of the information given. It is not impossible that some of the facts stated in these documents may be given to the public at the instance of the German Government itself. In that case it would be advantageous, if possible, to know by whom and under what circumstances they were published, in order that the charge of bad faith on our side might not be made.

The attitude of the German Imperial Government toward the criticisms above cited is shown in the inclosed semiofficial statement made in the Berliner Lokal Anzeiger, of which a translation is also inclosed. It will be noticed that in this statement the motive which actuated the German Government in furnishing the information is said to be the desire to rectify and explain the erroneous data upon which it was believed our Congress was basing its conclusions.

I have the honor to be, sir,

Your obedient servant,

DAVID J. HILL.

(To accompany dispatch No. 264.)

EXTRACT FROM THE BERLINER TAGEBLATT, EVENING EDITION OF APRIL 10, 1909—THE GERMAN GOVERNMENT AS A FELLOW-WORKER OF THE AMERICAN TARIFF BILL.

The Deutsche Exportrevue brings no less a charge against the foreign office than that of having given up the business secrets of the German industries so that they can be used in the preparation of the tariff bill. The article is based on an extract from the American Association of Commerce and Trade, issued in Berlin, and which in its last semi-monthly bulletin, of April 1, 1909, says:

"The German foreign office has, at the request of the American Department of State, forwarded to the American embassy in Berlin a type-written folio document of several inches in thickness, giving official information about wages and other costs of production of German manufactures which are affected by the American tariff.

"As the State Department came to the conclusion that the answers of the consuls to the circular issued in June of 1908 were not satisfactory, because the French, British, and German manufacturers were unwilling to give a trade rival facts on which to base a hostile tariff, therefore the State Department instructed the American ambassadors to obtain this information through the foreign offices of those countries to which they are accredited.

"It is understood that Ambassador Hill, in the beginning of December, approached the foreign office with the proposition that it would be to the interest of Germany to openly lay before the American Congress statements showing the cost of production of manufactures instead of only partial statements. The German foreign office accepted this view, and requested the governments of the confederation to gather the information, which had previously been requested of the chambers of commerce."

The Exportrevue makes the point that the tariff revision was only used as a blind, and that the entire action had primarily for its object, in an official way, to gather material which would be useful to American industries as against their competitors after the German and other manufacturers had refused to give up the desired information, which meant an exposition of their most essential business secrets. Even if the pretext were true, that this information was to be used by Congress as an aid in the discussion of the tariff revision, it would only result in an increase of the duties on such articles which can be manufactured much cheaper in Germany than in the United States; therefore the interests of the German industries would in all probability be considerably harmed. Unquestionably this information would be given to various American industries, which would make it easy for them to overcome the German industries exporting to the United States, and, eventually, to fight them on their own ground. It would be unheard of if the German foreign office had not taken such results into consideration, and it is hoped that the publication of the "American association" will meet with a decided denial.

We are informed that the Imperial Government will give out an official explanation of the matter.

(To accompany dispatch No. 264.)

TRANSLATION OF AN EXTRACT FROM THE BERLINER LOKAL-ANZEIGER OF APRIL 13, 1909.

With reference to the complaint that the foreign office had imparted to the American Government extensive material in regard to cost of production especially of goods exported to the United States and had exposed the business secrets of the German industries, it is semi-officially announced as follows: At the hearings in the fall of last year, which were had before the Finance Committee of the American House of Representatives, which committee was charged with the duty of revising the tariff, numerous mistaken statements were made by the manufacturers of America about the cost of production, and especially as to the wages paid to workmen, in that the costs were considerably underestimated. These facts, which the secretary of state of the foreign office explained, in answer to a question by a member of the Reichstag Stresemann, at the session of the Reichstag held on the 31st of last month, have been given special attention by the officials, and everything requisite was done to correct these mistakes through the chambers of commerce. The material sent in by the chambers of commerce was submitted to the American ambassador in Berlin, who had expressed the wish that trustworthy compilations of the questions at issue be submitted. The Imperial ambassador in Washington also submitted this material to the American Department of State.

No. 266.

EMBASSY OF THE UNITED STATES,
Berlin, April 13, 1909.

(Confidential.)

The Hon. P. C. KNOX,
Secretary of State, Washington.

SIR: With reference to the department's unnumbered instruction of November 18, 1908 (File No. —), authorizing me to endeavor to secure through the foreign office the data as to costs of production in Germany, called for by the department's circular instruction of June 15, 1908, for the use of the Ways and Means Committee, I have the honor to inform you that I have received a note from the foreign office, of which a copy with translation is inclosed herewith, transmitting the further data in question, which have been collected by the various federated German Governments through the chambers of commerce and from individual firms.

In view of the fact that this matter has to be forwarded at once in order to be of value to the committee, I inclose only one copy of the same, without translation, retaining the other pending the receipt of instructions as to whether it should be translated at this embassy, where the facilities for executing such voluminous and technical translations with promptness and accuracy are limited, or whether it should also be forwarded without the English rendering.

It will be recalled that the terms upon which this information is furnished, like that which has preceded, are strictly confidential, the data being for the use of Congress only.

I have the honor to be, sir,

Your obedient servant,

DAVID J. HILL.

Accompanying: 1. Note verbale of the German foreign office. 2. One set of the duplicate inclosures accompanying the same.

(To accompany dispatch No. 266.)

TRANSLATION OF A NOTE FROM THE IMPERIAL GERMAN FOREIGN OFFICE DATED APRIL 9, 1909—NOTE VERBALE.

The foreign office has the honor to forward to the embassy of the United States of America, as an addition to the note of March 25—II. U. 1642—the following additional matter in regard to the cost of production of especially those goods exported to the United States of America, appending hereto two copies. The compilations regarding the lithographic products in these supplementary documents, are an addendum to the memorial on the same subject submitted by the * * *.
BERLIN, April 9, 1909.

TO THE EMBASSY OF THE UNITED STATES OF AMERICA.

(Translation.)

IMPERIAL GERMAN EMBASSY,

Washington, D. C., April 23, 1909.

MR. SECRETARY OF STATE: In continuation of my letter of the 31st ultimo, I have the honor to forward herewith inclosed to your excellency a few additional reports compiled by German commercial companies and officials concerning the cost of production of various articles in Germany. This same material has been placed at the disposal of His Excellency Mr. Hill, in Berlin, and forms a supplement to the information furnished by me in due course to your excellency.

Accept, Mr. Secretary of State, the renewed assurance of my most distinguished high consideration.

For the Imperial Ambassador.

WEDEL.

Serial No. 48.]

DEPARTMENT OF STATE,

Washington, April 23, 1909.

His Excellency Count J. H. VON BERNSTORFF,

Imperial German Ambassador.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of the 31st ultimo, with which you were so good as to transmit duplicate copies of papers, furnished by your Government to the American ambassador at Berlin, with reference to costs of production in Germany, which data were desired for the use of the Committee on Ways and Means of the House of Representatives.

In reply I have the honor to say that, by reason of the additional copies of the documents furnished by you, the department was enabled not only to supply the needs of the Committee on Ways and Means, but those of the Committee on Finance of the Senate as well. Accordingly the department has to-day addressed an instruction to the American ambassador at Berlin, directing him to advise the Imperial Government of the disposition made of this material, at the same time conveying an expression of this Government's appreciation of and thanks for the courteous compliance with this department's request. In addition, I have the honor to express to you the department's thanks for the embassy's kindness in the matter.

Accept, excellency, the renewed assurances of my highest consideration.

HUNTINGTON WILSON,

Acting Secretary.

Serial No. 153.]

DEPARTMENT OF STATE,

Washington, April 23, 1909.

The Hon. DAVID J. HILL,

American Ambassador, Berlin.

SIR: I have to acknowledge the receipt of your No. 254 of the 27th ultimo, wherein, with reference to the department's unnumbered instruction of November 18, 1908, directing you to procure for the use of the Committee on Ways and Means certain data as to costs of production in Germany, you inclose translation of a note from the foreign office, transmitting the data in question, collected by the various German governments through the chambers of commerce and from individual firms.

Additional copies of the papers sent with your dispatch were also received by the department from the German embassy at this capital, so that the department was enabled to supply not only the Committee on Ways and Means with copies, but the Committee on Finance of the Senate as well.

You will advise the German Government of the disposition of this material, at the same time expressing this Government's appreciation of and thanks for its courteous compliance with the department's request.

I am, sir,

Your obedient servant,

HUNTINGTON WILSON,

Acting Secretary.

EMBASSY OF THE UNITED STATES,

Berlin, May 6, 1909.

The Hon. P. C. KNOX,

Secretary of State, Washington, D. C.

SIR: I have the honor to acknowledge the receipt of the department's instruction of the 23d ultimo (Serial No. 153, file No. 13911/805-807), relative to the data furnished by the German Government as to costs of production in Germany, and to inform you that I have not failed to advise the foreign office of the disposition of this material, at the same time expressing our Government's appreciation of and thanks for its courteous compliance with the department's request.

I have the honor to be, sir,

Your obedient servant,

DAVID J. HILL.

Mr. ALDRICH. It is my purpose to take up to-morrow the glass paragraphs, which have been passed over, and the matter of a duty on hides, and perhaps the paper paragraphs, and such other paragraphs as can be disposed of to-morrow.

Mr. GALLINGER. All to-morrow?

Mr. ALDRICH. I hope all to-morrow.

Mr. BACON. I would inquire whether it would be practicable, in connection with the window-glass amendment, to give us the ad valorem which is represented by these combined duties? I am not asking the Senator to make any reply, but if it is practicable, I should like to have that information.

Mr. ALDRICH. I think it is not practicable. We have changed the form of the classification. We put in paragraphs as to value per pound. I think it is not possible to make a comparison. It is possible, though, to compare the rates, because the rates are reduced, say, from 1½ to 1¼ cents on a certain paragraph.

Mr. BACON. There is an ad valorem equivalent specified in this document—Estimates of Revenues.

Mr. ALDRICH. Those are on the importations under the old law.

Mr. BACON. Yes.

Mr. ALDRICH. But there is a considerable reduction upon all the brackets in the new paragraphs.

EXECUTIVE SESSION.

Mr. KEAN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After one minute spent in executive session the doors were reopened, and (at 7 o'clock p. m.) the Senate adjourned until to-morrow, Thursday, June 17, 1909, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 16, 1909.

PROMOTIONS IN THE NAVY.

Lieut. Commander Harold K. Hines to be a commander in the navy from the 16th day of June, 1909, vice Commander Francis H. Sherman, promoted.

Ensigns Chandler K. Jones and Herbert H. Michael to be lieutenants (junior grade) in the navy from the 2d day of February, 1909, upon the completion of three years' service in present grade.

Lieuts. (Junior Grade) Chandler K. Jones and Herbert H. Michael to be lieutenants in the navy from the 2d day of February, 1909, to fill vacancies existing in that grade on that date.

Surgs. Robert E. Ledbetter and Charles St. J. Butler to be surgeons in the navy from the 16th day of September, 1908, and the 19th day of September, 1908, respectively, to correct the date from which they take rank as previously confirmed.

Passed Asst. Surg. Fred M. Bogan to be a surgeon in the navy from the 2d day of September, 1908, vice Surg. Henry T. Percy, promoted.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 16, 1909.

DISTRICT JUDGES.

George W. Woodruff to be district judge for the Territory of Hawaii.

Peter D. Overfield to be judge of the district of Alaska, division No. 4.

UNITED STATES MARSHAL.

Thomas Cader Powell to be United States marshal for the district of Alaska, division No. 2.

COMMISSIONER OF INDIAN AFFAIRS.

Robert G. Valentine to be Commissioner of Indian Affairs.

PROMOTIONS IN THE ARMY.

GENERAL OFFICER.

Col. Marion P. Maus to be brigadier-general.

INFANTRY ARM.

Lieut. Col. Arthur Williams to be colonel.

Maj. Hunter Liggett to be lieutenant-colonel.

Capt. Frank L. Winn to be major.

First Lieut. Will H. Point to be captain.

First Lieut. Henry M. Bankhead to be captain.

First Lieut. Henry F. McFeely to be captain.

Second Lieut. Joseph M. Cummins to be first lieutenant.

Second Lieut. Thomas C. Musgrave to be first lieutenant.

Second Lieut. Converse R. Lewis to be first lieutenant.

MEDICAL CORPS.

The following-named first lieutenants to be first lieutenants in the Medical Corps of the Army:

Henry Clay Coburn, jr.,
Arnold Dwight Tuttle,
John Brockenbrough Harvie Waring,
William Richard Dear,
Charles Edward Doerr,
Daniel Parker Card,
Ralph Harvard Goldthwaite,
Frederick Starr Wright,
Daniel Warwick Harmon,
James Carre Magee,
Corydon Goodrich Snow,
Norman Lincoln McDiarmid,
Clarence Albert Treuholtz,
Eben Clayton Hill,
George Hudson McLellan,
Alexander Dwight Parce,
James Arthur Wilson,
Armin Mueller,
Thomas James Leary,
Morrison Clay Stayer,
Robert William Kerr,
Lee Roy Dunbar,
Leon Connallin Garcia,
William Stephens Shields,
Addison Dimmitt Davis,
William Hope Smith,
Clarence Elmer Fronk,
Rozier Clagett Bayly, and
George Dawson Heath, jr.

APPOINTMENT IN THE ARMY.

Rev. Robert R. Fleming, jr., to be chaplain.

PROMOTIONS IN THE NAVY.

Lieut. Commander Philip Andrews to be a commander.

The following-named lieutenant-commanders to be lieutenant-commanders (to correct the dates from which they take rank as previously confirmed):

Frank H. Brumby,
James P. Morton,
Frank P. Baldwin,
George L. P. Stone,
Rufus Z. Johnston, jr.,
Thomas D. Parker,
Jonas H. Holden,
Thomas T. Craven,
Daniel W. Wurtzbaugh,
Ralph Earle,
Gatewood S. Lincoln,
Ivan C. Wettengel,
Charles M. Tozer,
Wat T. Cluverius,
Albert W. Marshall,
Thomas A. Kearney,
Arthur MacArthur, jr., and
Frank E. Ridgely.

Lieut. Edward H. De Lany to be a lieutenant-commander.

Lieut. Cassius B. Barnes to be a lieutenant-commander.

Lieut. Michael J. McCormack to be a lieutenant-commander.

Lieut. Ernest F. Eckhardt to be a lieutenant-commander.

Lieut. Duncan M. Wood to be a lieutenant-commander.

Lieut. Leigh C. Palmer to be a lieutenant-commander.

Lieut. Dudley W. Knox to be a lieutenant-commander.

Lieut. Edward McCauley, jr., to be a lieutenant-commander.

The following-named ensigns to be lieutenants (junior grade):

Donald B. Craig,
Stanton L. H. Hazard,
Roscoe F. Dillen,
Benjamin K. Johnson, and
Walter A. Smead.

The following-named lieutenants (junior grade), to be lieutenants:

Donald B. Craig,
Stanton L. H. Hazard,
Roscoe F. Dillen,
Benjamin K. Johnson, and
Walter A. Smead.

The following-named paymasters to be paymasters (to correct the date from which they take rank as previously confirmed):

George G. Seibels,
Edmund W. Bonnaffon,
Joseph Fyffe,
John H. Merriam,
Timothy S. O'Leary,
George Brown, jr.,
Walter B. Izard,
David Potter,
Samuel Bryan,
Arthur F. Huntington,
Harry H. Balthis,
Charles Conard,
William T. Gray,
George P. Dyer,
John W. Morse,
Robert H. Woods,
Robert H. Orr,
William A. Merritt,
John Irwin, jr.,
Webb V. H. Rose,
William H. Doherty,
Charles Morris, jr.,
Frederick K. Perkins, and
George C. Schafer.

Asst. Paymaster Kenneth C. McIntosh to be a passed assistant paymaster.

Naval Constructors Stuart F. Smith and William G. Groesbeck to be naval constructors (to correct the date from which they take rank as previously confirmed).

Naval Constructor Richard H. Robinson to be a naval constructor (to correct the date from which he takes rank as previously confirmed).

The following-named machinists to be chief machinists:

John E. Cleary,
Richard Jeffares,
Charles Hammond,
James W. Murray,
John Dexter,
Martin J. Clancy,
John J. Fuller,
John T. Pennycook,
James A. Hickey,
John T. Riley,

Benjamin F. Beers,
David Purdon,
Bernard Gebhardt,
George C. Ellerton,
Charles H. Gilhuley,
Murray S. Holloway,
William B. Stork,
Clarence R. Johnson,
Ben Smith,
William James,
Patrick Fernan,
Frank Risser,
John Bryce,
Rasmus Iversen,
Henry E. White,
Charles C. Holland,
Cornelius J. Collins,
Lee Grossenbaker, and
Daniel C. Beach.

POSTMASTERS.

COLORADO.

Mary S. Clark, at Akron, Colo.

ILLINOIS.

Moses C. Smith, at Newman, Ill.

KANSAS.

Olga A. Krehbiel, at Moundridge, Kans.

NEBRASKA.

Walter L. Minor, at Morrill, Nebr.

William H. Rood, at North Loup, Nebr.

NEW JERSEY.

Morris Davis, at Bridgeton, N. J.

OKLAHOMA.

John C. Byrd, at Wagoner, Okla.

SOUTH CAROLINA.

Della D. Carter, at Lake City, S. C.

UTAH.

Clifford I. Goff, at Midvale, Utah.

Albert E. Hopkinson, at Sunnyside, Utah.

WISCONSIN.

Louisa Whitcomb, at Albany, Wis.

AUG 11 1915